

PUBLIC INVITATION FOR PARTICIPATION IN PUBLIC AUCTIONS

Basic Data on Auction Sale

The interested parties can purchase the auction documents 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 documents is obligatory, and on its receipt one is to sign the Confidentiality Agreement. After the payment evidence has been submitted, the auction documents can be collected at the following address:
Privatization Agency, Belgrade, 23 Terazije St, 9:00–17:00, from 22.06.2007 to 17.07.2007.

DEADLINE FOR SUBMISSION OF APPLICATIONS IS 18.07.2007 UNTIL 17:00

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, 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: 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, foreign convertible currency, state bonds based upon the unpaid foreign currency savings, which are due not later than the date of the capital sale (26.07.2007.) 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, which are not to become due until the date of the capital sale (26.07.2007.) 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 returned 15 days after the public auction has been held.

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.

The site visit shall be carried out after the signing the Confidentiality Agreement in the period from 22.06.2007 to 17.07.2007, 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 22.06.2007.*

** *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 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 auction, registers auction participants, declares auction unsuccessful, signs the minutes 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, when 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 of 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 opens the second bidding immediately afterwards, when even undue state bonds can be the means of payment. Those who have applied for the second bidding can also participate, as well as the participants in the first bidding, in case it has been declared unsuccessful. If more than one person participates in the second bidding, 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 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 information on the subject undergoing privatization: Sloboda metaloprerađivačko preduzeće METALAC društveno preduzeće Ivanjica, IVANJICA

Auction Sale Code: 260707-0273

Official ID number of the Subject: 07206194

Field of work: Production of various products

The entire estimated capital value to be privatized amounts to: CSD 133.098.000 or *EUR 1.632.496 which is 70 % of the total capital of the subject.

Deposit for auction participation: CSD 13.310.000 or *EUR 163.252

Initial price at auction sale: CSD 26.620.000

Minimum obligatory investments into the subject to be privatized amounts to: CSD 18.503.000

Main property of the subject undergoing privatization

A) Buildings – main facilities (m²):

1. Administrative building and old production hall (4220) 2. New production hall (3200)
3. Warehouse (652) 4. Store (83) 5. Boiler house (126) 6. Upkeep building (132)

B) Main Equipment:

1) Device cabin (GEMA–GNS) 2) Welding apparatus – 2 pieces 3) Horizontal miling machine 4) Welding appartus 5) Press device – 2 pieces (250 13) 6) Apipong (55)

C) Land (m²): Entire land: (24694); Construction land: (24694) – socially owned;

Balance sheet per year	2005		2006		
	Shown in:	CSD	**EUR	CSD	**EUR
Total business revenues		49.641.000	598.755	46.684.000	555.068
Total business expenses		52.722.000	635.917	47.144.000	560.537

Main products/ services: 1) Construction structures and metalwork 2) Metalwork products 3) Agricultural equipment and tools 4) Aluminium metalwork 5) Covering and facade works 6) Sheet metal works

Total number of employees: 116; of which BS/ BA: 3

2) Basic information on the subject undergoing privatization: Holding socially-owned enterprise for production and trade POLJOTEHNA, NEGOTIN

Auction Sale Code: 260707-1743p

Official ID number of the Subject: 17261673

Field of work: Holding works

The entire estimated capital value to be privatized amounts to: CSD 387.733.000 or *EUR 4.755.679 which is 70 % of the total capital of the subject.

Deposit for auction participation: CSD 31.019.000 or *EUR 380.459

Initial price at auction sale: CSD 62.037.000

Minimum obligatory investments into the subject to be privatized amounts to: CSD 34.472.000

Main property of the subject undergoing privatization

A) Buildings – main facilities (m²):

1. Administrative premises in Negotin (692) 2. Outlet in Belgrade – 3 Krušedolska St. (83) 3. Mill in Negotin (3034) 4. Flour warehouse in Negotin (2185) 5. Bakery in Negotin (1092) 6. Department store in Negotin (1400) 7. Bakery in Kladovo (590)

B) Main Equipment:

1) Computers (4 pieces) 2) Printer 3) Truck (2 pieces) (Zastava) 4) Passenger vehicle (Reno 21)

C) Land (m²): Entire land: (34380); Construction land: (33773) – socially owned; Agricultural land: (607) – socially owned;

Balance sheet per year	2005		2006		
	Shown in:	CSD	**EUR	CSD	**EUR
Total business revenues		84.353.000	1.017.441	13.108.000	155.853
Total business expenses		142.150.000	1.714.572	86.271.000	1.025.754

Main products/ services: 1) Flour 2) Cattle flour 3) Bread and pastry

Total number of employees: 237; of which BS/ BA: 7

3) Basic information on the subject undergoing privatization: AD for agricultural–food production, domestic and foreign trade AGROEKSPORT–PROIZVODNJA I PROMET, BEOGRAD

Auction Sale Code: 260707-1985

Official ID number of the Subject: 07048521

Field of work: Wholesale of living animals

The entire estimated capital value to be privatized amounts to: CSD 155.775.000 or *EUR 1.910.641 which is 68,012 % of the total capital of the subject.

Deposit for auction participation: CSD 15.578.000 or *EUR 191.070

Initial price at auction sale: CSD 31.155.000

Minimum obligatory investments into the subject to be privatized amounts to: CSD 15.083.000

Main property of the subject undergoing privatization

A) Buildings – main facilities (m²):

1. Business premises, Belgrade, Kralja Milana 25 (489) 2. Processing center (1819) 3. Business premises (32) 4. Slaughterhouse (72)

B) Main Equipment:

1) Passenger vehicle (Peugeot 405) 2) Passenger vehicle (Zastava 101) 3) Fax apparatus – 2 pieces (Panasonic) 4) Printer – Manesman – 2 pieces (MT–340) 5) Furniture (El Pupin)

C) Land (m²): Entire land: (12984); Construction land: (9025) – socially owned; Agricultural land: (3959) – socially owned;

Balance sheet per year	2005		2006		
	Shown in:	CSD	**EUR	CSD	**EUR
Total business revenues		2.295.000	27.682	2.819.000	33.518
Total business expenses		19.588.000	236.265	17.054.000	202.770

Main products/ services: 1) Bullocks 2) Pigs 3) Raw hide 4) Finished leather 5) Bullock meat

Total number of employees: 22; **of which BS/ BA:** 3