

PUBLIC INVITATION FOR PARTICIPATION IN PUBLIC AUCTIONS

Basic data on Auction sale

Interested parties can purchase the auction documents at the price of **RSD 40.000**, after they receive the invoice from the Privatization Agency. VAT is not calculated in the price. Purchase of the auction documents is obligatory, and on their 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:

Bulevar Mihajla Pupina 10 (5th floor), Novi Sad, 9:00–17:00, from 11.09.2007 to 09.10.2007.

DEADLINE FOR SUBMISSION OF APPLICATIONS IS 10.10.2007 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 marked with: "THE APPLICATION FOR PARTICIPATION IN PUBLIC AUCTION 181007, Bulevar Mihajla Pupina 10 (5th floor), Novi Sad".

IF THERE IS THE NAME OF THE ENTITY UNDERGOING PRIVATIZATION ON THE ENVELOPE, OR FULL AUCTION CODE, THE APPLICATION CAN BE REJECTED.

THE AUCTION WILL BE HELD ON: 18.10.2007.

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

18.10.2007, from 09:00 to 10:50.

Means of payment can be in domestic currency, foreign convertible currency, state bonds based on the unpaid foreign currency savings, which are due not later than the date of the capital sale (18.10.2007.) issued to the individuals, 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 on the unpaid foreign currency savings, which are not due until the date of the capital sale (18.10.2007.) issued to the individuals, 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 signing the Confidentiality Agreement in the period from 11.09.2007 to 09.10.2007, at the time previously established by the Privatization Agency, tel: 021/452-959 or fax: 021/452-967.

* *The total estimated capital value to be privatized, stated in EUR, was calculated according to the official exchange rate on 05.09.2007.*

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

Brief description of the PUBLIC AUCTION procedure

The sale of capital by Public auction is carried out by the Auction Commission, which is 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, it 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 it loses the right to be returned the deposit.

1) Basic information on the entity undergoing privatization: Joint-stock company for production of leather products MERKUR, BAČKA PALANKA

Auction Sale Code: 181007-0443

Official ID number of the Entity: **08005591**

Field of work: **Production of leather products**

The entire estimated capital value to be privatized amounts to: **RSD 256.592.000** or *EUR 3.217.998 which is **69,83 %** of the entire capital of the entity.

Deposit for participation in the auction: **RSD 30.791.000** or *EUR 386.160

Initial price at the auction sale: **RSD 61.582.000**

Minimum obligatory investments into the entity to be privatized amounts to: **RSD 15.034.000**

The most important assets of the entity to be privatized

A) Buildings – main facilities (m²):

1. Administrative building (896) 2. Production hall – cardboard and mechanical works (351) 3. Production halls – tailor's workshop, preparation (4743) 4. Carpentry, warehouse (4722) 5. Restaurant (1271) 6. 9 flats in Bačka Palanka (437) 7. Business premises (3622) 8. Store, Valjevo (98) 9. Store, Sombor (53) 10. Store, Niš (75) 11. Store, Bor (26)

B) Main equipment:

1) Cardboard cutting machine (REGO) 2) Sewing machine (PFAFF) 3) Sewing machine (SINGER) 4) Sewing machine (ADLER) 5) Edge thinning machine (FORTUNA) 6) Leather press

C) Land (m²): *Construction land: (15613) – socially owned;*

Balance sheet per year:

Shown in:	2005		2006	
	RSD	**EUR	RSD	**EUR
Total business revenues	10.154.000	122.475	32.968.000	391.986
Total business expenses	58.158.000	701.485	82.260.000	978.063

Main products/ services: 1) Briefcases 2) Women's purses 3) Travel bags 4) Men's bags 5) Small products

Total number of employees: 147; of which BS/ BA: 7

2) Basic information on the entity undergoing privatization: Socially-owned agricultural enterprise JEDINSTVO, SELEUŠ

Auction Sale Code: 181007-2064

Official ID number of the Entity: **08047570**

Field of work: **Growing of corn and other crops**

The entire estimated capital value to be privatized amounts to: **RSD 204.383.000** or *EUR 2.563.222 which is **70 %** of the entire capital of the entity.

Deposit for participation in the auction: **RSD 24.526.000** or *EUR 307.587

Initial price at the auction sale: **RSD 49.052.000**

Minimum obligatory investments into the entity to be privatized amounts to: **RSD 3.716.000**

The most important assets of the entity to be privatized

A) Buildings – main facilities (m²):

1. Corn warehouse – user (1536) 2. Fattening facility, 2 facilities and a yard – user(126) 3. Old warehouse – user (1200) 4. Mechanical workshop – user (559) 5. Business facility with the annex– user (540) 6. Shed for machines – II yard – user (825) 7. Shed for huge machines – II yard – user (750) 8. Stable for big cattle – user (702) 9. Warehouse Soko – user (683)

B) Main equipment:

1) Mixing facility equipment 2) Electric motor (3) 3) Tractor (Case Magnum 7220 pro) 4) Adapter (2 komada) (S-4) 5) Sunflower device (3) 6) Trailer (4) (Z 485)

C) Land (m²): *Entire land: (8300891) ; agricultural land: (8300891) – socially owned (2.661.413), – state owned (5.639.478);*

Balance sheet per year:

Shown in:	2005		2006	
	RSD	**EUR	RSD	**EUR
Total business revenues	40.176.000	484.591	41.706.000	495.880
Total business expenses	41.831.000	504.553	41.938.000	498.639

Main products/ services: 1) Wheat, corn, sunflower 2) Soya, barley 3) Purchase of agricultural products 4) Mechanical services in agricultural production

Total number of employees: 35; of which BS/ BA: 1

3) Basic information on the entity undergoing privatization: Socially-owned enterprise RASADNIK, KIKINDA

Auction Sale Code: 181007-2065

Official ID number of the Entity: **08177520**

Field of work: **Growing of corn and other crops**

The entire estimated capital value to be privatized amounts to: **RSD 50.203.000** or *EUR 629.614 which is **70 %** of the entire capital of the entity.

Deposit for participation in the auction: **RSD 6.024.000** or *EUR 75.554

Initial price at the auction sale: **RSD 12.049.000**

Minimum obligatory investments into the entity to be privatized amounts to: **RSD 856.000**

The most important assets of the entity to be privatized

A) Buildings – main facilities (m²):

1. Administrative building – office (64) 2. Administrative building – canteen (50) 3. Warehouse with a workshop and archive (182) 4. New greenhouse (220) 5. Administrative building – airport (57)

B) Main equipment:

1) Van (Zastava) 2) Tractor (2) (TV-420, TV-319-K) 3) Irrigation well 4) Passenger vehicle (Skoda Felica)

C) Land (m²): *construction land: (1211972) – state owned; agricultural land: (69922) – state owned;*

Balance sheet per year:	2005		2006	
Shown in:	RSD	**EUR	RSD	**EUR
Total business revenues	22.254.000	268.421	23.530.000	279.769
Total business expenses	22.344.000	269.507	23.286.000	276.868

Main products/ services: 1) Upkeep and development of parks and green fields 2) Production of flowers 3) Agricultural services for third parties, production of agricultural products 4) Production and sale of fruit seedlings
Total number of employees: 27; of which BS/ BA: 2

4) Basic information on the entity undergoing privatization: Socially-owned enterprise ZAVOD ZA SUDSKA VEŠTAČENJA, NOVI SAD

Auction Sale Code: 181007-2066

Official ID number of the Entity: **08068305**

Field of work: **Data processing**

The entire estimated capital value to be privatized amounts to: **RSD 28.516.000 or *EUR 357.626** which is **70 %** of the entire capital of the entity.

Deposit for participation in the auction: **RSD 3.223.000 or *EUR 40.415**

Initial price at the auction sale: **RSD 6.445.000**

Minimum obligatory investments into the entity to be privatized amounts to: **RSD 235.000**

The most important assets of the entity to be privatized

A) Buildings – main facilities (m²):

1. Offices, Novi Sad, Sremska 9 – tenant (318)

B) Main equipment:

1) Computer (PC Ada) 2) Computer (PC XP Ada best) 3) Computer(PC XP) 4) Printer (XP Color laser 2600) 5) Camera (NIKON E-3100)

C) Land (m²):

Balance sheet per year:	2005		2006	
Shown in:	CSD	**EUR	CSD	**EUR
Total business revenues	17.733.000	213.890	26.337.000	313.144
Total business expenses	16.626.000	200.538	22.187.000	263.801

Main products/ services: 1) Court experts services

Total number of employees: 13; of which BS/ BA: 8

5) Basic information on the entity undergoing privatization: AGRO-KONING A.D. for projecting, consulting, engineering and trade, NOVI SAD

Auction Sale Code: 181007-2067

Official ID number of the Entity: **08557276**

Field of work: **Construction and specialized works**

The entire estimated capital value to be privatized amounts to: **RSD 608.000 or *EUR 7.631** which is **61,565 %** of the entire capital of the entity.

Deposit for participation in the auction: **RSD 73.000 or *EUR 916**

Initial price at the auction sale: **RSD 146.000**

Minimum obligatory investments into the entity to be privatized amounts to: **RSD 83.000**

The most important assets of the entity to be privatized

A) Buildings – main facilities (m²):

1. Business premises, Novi Sad, Narodnog fronta 10 (31)

B) Main equipment:

1) Passenger vehicle (GOLF CL) 2) Copier (Nashuatec D418)

C) Land (m²):

Balance sheet per year:	2005		2006	
Shown in:	RSD	**EUR	RSD	**EUR
Total business revenues	23.744.000	286.393	8.987.000	106.855
Total business expenses	24.852.000	299.758	9.089.000	108.067

Main products/ services: 1) Projecting 2) Consulting 3) Engineering 4) Trade

Total number of employees: 3; of which BS/ BA: 2

6) Basic information on the entity undergoing privatization: Socially-owned enterprise for market services TRŽNICA, SUBOTICA

Auction Sale Code: 181007-2068

Official ID number of the Entity: **08236585**

Field of work: **Renting of machines and equipment**

The entire estimated capital value to be privatized amounts to: **RSD 219.180.000 or *EUR 2.748.800** which is **70 %** of the entire capital of the entity.

Deposit for participation in the auction: **RSD 26.302.000 or *EUR 329.856**

Initial price at the auction sale: **RSD 52.603.000**

Minimum obligatory investments into the entity to be privatized amounts to: **RSD 15.667.000**

The most important assets of the entity to be privatized

A) Buildings – main facilities (m²):

1. Administrative building (374) 2. Market Mali Bajmok (22800) 3. Car and cattle market (11380) 4. Market Palić (2472) 5. Market Aleksandrovo (3150) 6. Business premises at Palić (115)

B) Main equipment:

1) Equipment for rent – counters (Metalne) 2) Switchboard with equipment (Panasonic) 3) PA system equipment 4) Computer equipment (Pentium) 5) Truck (Rival kiper) 6) Tractor (IMT 539)

C) Land (m²): *Entire land: (79306); construction land: (79306) (79.240) – socially owned, (66) – state owned;*

Balance sheet per year:		2005		2006	
Shown in:		RSD	**EUR	RSD	**EUR
Total business revenues		111.494.000	1.344.808	129.023.000	1.534.071
Total business expenses		100.700.000	1.214.614	126.765.000	1.507.223

Main products/ services: 1) Equipment rent 2) Market fee 3) Parking lot and pubc address services

Total number of employees: 46; of which BS/ BA: 1

7) Basic information on the entity undergoing privatization: Joint-stock company PUTEVI, ZRENJANIN

Auction Sale Code: 181007-2069

Official ID number of the Entity: **08049645**

Field of work: **Rough construction works**

The most important assets of the entity to be privatized

A) Buildings – main facilities (m²):

1. Administrative building – 2 facilities (238) 2. Garage – workshop – 3 facilities (206) 3. Warehouse (97) 4. Eaves (206)

The entire estimated capital value to be privatized amounts to: **RSD 28.028.000 or *EUR 351.513** which is **67,438 %** of the entire capital of the entity.

Deposit for participation in the auction: **RSD 3.363.000 or *EUR 42.182**

Initial price at the auction sale: **RSD 6.727.000**

Minimum obligatory investments into the entity to be privatized amounts to: **RSD 638.000**

B) Main equipment:

1) Asphalt base 2) Loading shovel (MT-160) 3) Dredger (A600 V) 4) Grader (MG 145) 5) Finisher (Titan 260 C) 6) Truck (FAP 1921)

C) Land (m²): *Entire land: (54293); construction land: (54293) (51.333) – state owned, (2.960) – socially owned;*

Balance sheet per year:		2005		2006	
Shown in:		RSD	**EUR	RSD	**EUR
Total business revenues		61.036.000	736.198	15.320.000	182.153
Total business expenses		63.575.000	766.823	31.062.000	369.324

Main products/ services: 1) Road upkeep 2) Construction of roads, sidewalks, bicycle tracks 3) Construction of sport fields 4) Road upkeep in winter conditions 5) Setting and replacing of horizontal signal work

Total number of employees: 81; of which BS/ BA: 3

8) Basic information on the entity undergoing privatization: Enterprise for production and filling of mineral water and carbonated drinks AQUATUS a.d., NOVI SAD

Auction Sale Code: 181007-2070

Official ID number of the Entity: **07043350**

Field of work: **Production of fruit and vegetable juice**

The most important assets of the entity to be privatized

A) Buildings – main facilities (m²):

1. Business premises, Tržni centar Banjica no. 208/209, Paunova 24, Beograd (48) 2. Business premises L3/II, Narodnog fronta 73, Novi Sad (62)

The entire estimated capital value to be privatized amounts to: **RSD 48.291.000 or *EUR 605.634** which is **69,237 %** of the entire capital of the entity.

Deposit for participation in the auction **RSD 5.795.000 or *EUR 72.676**

Initial price at the auction sale: **RSD 11.590.000**

Minimum obligatory investments into the entity to be privatized amounts to: **RSD 3.573.000**

B) Main equipment:

1) Water calibration device 2) Raspberry selection line 3) Fork-lift trucks (3) (INDOS DIZEL 9615) 4) Fork-lift tucks (2) (LINDE 1.2t i 1.5t) 5) Display refrigerators and chambers (12) (COSTAN) 6) Office equipment

C) Land (m²): *Entire land: (653090); construction land: (653090) – state owned;*

Balance sheet per year:		2005		2006	
Shown in:		RSD	**EUR	RSD	**EUR
Total business revenues		0	0	1.720.000	20.451
Total business expenses		9.349.000	112.765	31.999.000	380.465

Main products/ services: 1) Alcoholic drinks 2) Frozen fruit

Total number of employees: 4; of which BS/ BA: 3

9) Basic information on the entity undergoing privatization: Socially-owned enterprise for production of process equipment and machines UTVA-PROING, PANČEVO

Auction Sale Code: 181007-2071

Official ID number of the Entity: **08141479**

Field of work: **Production of special machines**

The most important assets of the entity to be privatized

A) Buildings – main facilities (m²):

1. Aircraft facility I (2612) 2. Aircraft facility II (1677) 3. Aircraft facility III (532) 4. Warehouse (457) 5. Chrome facility (350)

The entire estimated capital value to be privatized amounts to: **RSD 46.067.000 or *EUR 577.737** which is **70 %** of the entire capital of the entity.

Deposit for participation in the auction **RSD 5.528.000 or *EUR 69.328**

Initial price at the auction sale: **RSD 11.056.000**

Minimum obligatory investments into the entity to be privatized amounts to: **RSD 4.198.000**

B) Main equipment:

1) Metal processing machines 2) Jack (500 kg) 3) Fork-lift truck (5 t) 4) Semi-automatic machine 5) Milling machine 6) General plane

C) Land (m²): *Entire land: (21397); construction land: (21397) – state owned;*

Balance sheet per year:		2005		2006	
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Shown in:	RSD	**EUR	RSD	**EUR
Total business revenues	1.740.000	20.987	3.307.000	39.320
Total business expenses	12.492.000	150.675	26.877.000	319.565

Main products/ services: 1) Chain transporters 2) Elevators 3) Mills 4) Other equipment

Total number of employees: 69; **of which BS/ BA:** 1