

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:

Privatization Agency, Belgrade, 23 Terazije St, 09:00–16:30, from 30.10.2007 to 21.11.2007.

DEADLINE FOR SUBMISSION OF APPLICATIONS IS 22.11.2007 UNTIL 16:30

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 301107, Privatization Agency, Belgrade, 23 Terazije St."

* *The entire estimated capital value to be privatized, stated in EUR, was calculated according to the official exchange rate on 24.10.2007.*

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

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

THE AUCTION WILL BE HELD ON: 30.11.2007.

at the following address: "**Dom sindikata**" building, Belgrade, 5 Nikola Pašić Square, Hall 2, at 11:00. The registration of the auction participants will be held at the same address on: **30.11.2007, 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 (30.11.2007.) 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 (30.11.2007.) 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 21 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 30.10.2007 to 21.11.2007, at the time previously established by the Privatization Agency, tel: +38111/3020-842; +38111/3020-803 or fax: +38111/3020-881.

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 entity undergoing privatization: Joint-stock company for production, processing and trade of fruit and meat, and for foreign trade BUDIMKA, POŽEGA**Auction Sale Code:** 301107-1365pOfficial ID number of the Entity: **07303041**Field of work: **Production of fruit and vegetable juice**The entire estimated capital value to be privatized amounts to: **RSD 943.938.000 or *EUR 12.220.218** which is **56 %** of the entire capital of the entity.**Deposit** for participation in the auction: **RSD 47.197.000 or *EUR 611.011****Initial price** at the auction sale: **RSD 94.394.000****Minimum obligatory investments** into the entity to be privatized amounts to: **RSD 189.535.000****The most important assets of the entity to be privatized****A) Buildings – main facilities (m²):**

1. Facility with a warehouse (7671) 2. Concentrate works (3614) 3. Main building of the kiln (1120) 4. New administrative building (1601) 5. Warehouse of finished goods (2282) 6. Cold storage room (2282) 7. Bullock foddering stables (5984)

B) Main equipment:

1) Rotation presses (HP 5000) 2) Press with add-ons 3) Ultrafilter (DDS) 4) Vacuum filler with the lid 5) Automatic bottle washing machine 6) Bottle transporter

C) Land (m²): *Entire land: (241605); construction land: (224855) – socially owned; Agricultural land: (16750) – socially owned;*

Balance sheet per year:	2005		2006	
	RSD	**EUR	RSD	**EUR
Shown in:				
Total business revenues	34.697.000	418.505	71.461.000	849.664
Total business expenses	196.572.000	2.370.994	166.266.000	1.976.886

Main products/ services: 1) Production of fruit and vegetable juice 2) Processing and canning of fruit and vegetables 3) Processing of animal and poultry meat 4) Production of distilled alcoholic drinks 5) Retail trade in fruit and vegetables**Total number of employees:** 132; **of which BS/ BA:** 10**2) Basic information on the entity undergoing privatization: Socially-owned enterprise for production and trade of electric products ZASTAVA PES, SURDULICA****Auction Sale Code:** 301107-1669pOfficial ID number of the Entity: **07630867**Field of work: **Production of electric equipment for motors and vehicles**The entire estimated capital value to be privatized amounts to: **RSD 544.056.000 or *EUR 7.043.346** which is **70 %** of the entire capital of the entity.**Deposit** for participation in the auction: **RSD 43.525.000 or *EUR 563.468****Initial price** at the auction sale: **RSD 87.049.000****Minimum obligatory investments** into the entity to be privatized amounts to: **RSD 3.233.000****The most important assets of the entity to be privatized****A) Buildings – main facilities (m²):**

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

B) Main equipment:

1) Asemblage line (15W) 2) Riveting machine (BIT-TUB) 3) Plastic filling machine (ES1300/275) 4) Motor examination device (9/14GM) 5) Coordinate drill (2E 440 2) 6) Rotor packing machine

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	
	RSD	**EUR	RSD	**EUR
Shown in:				
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) Relay 4) Tools 5) Magnetic lighters**Total number of employees:** 257; **of which BS/ BA:** 21**3) Basic information on the entity undergoing privatization: Socially-owned enterprise for production, trade and services KRZNARA, PIROT****Auction Sale Code:** 301107-1720pOfficial ID number of the Entity: **17393669**Field of work: **Production of fur and fur products**The entire estimated capital value to be privatized amounts to: **RSD 36.767.000 or *EUR 475.991** which is **70 %** of the entire capital of the entity.**Deposit** for participation in the auction: **RSD 1.838.000 or *EUR 23.800****Initial price** at the auction sale: **RSD 3.677.000****Minimum obligatory investments** into the entity to be privatized amounts to: **RSD 1.896.000****The most important assets of the entity to be privatized****A) Buildings – main facilities (m²):**

1. Administrative building (497) 2. Final works – tenure holder (220) 3. Kiln – tenure holder (308) 4. Auxiliary building – tenure holder (136) 5. Tanning department – tenure holder (610)

B) Main equipment:

1) Machine (Kostoj) 2) Lighter (Budučnost) 3) Electric convector heater (Elektrotehna) 4) Heading machine (Budučnost) 5) Thermoregulation valve (Elektrotehna)

C) Land (m²): *Entire land: (2792); construction land: (4293) – state owned;*

Balance sheet per year:		2004		2005	
Shown in:	RSD	**EUR	RSD	**EUR	
Total business revenues	8.940.000	122.462	11.870.000	143.172	
Total business expenses	14.410.000	197.392	17.172.000	207.124	

Main products/ services: 1) Fur 2) Dyed fur 3) Fur nutrijet 4) Nutrijet collars 5) Fur coat lining
Total number of employees: 22; of which BS/ BA: 1

4) Basic information on the entity undergoing privatization: Socially-owned enterprise for production of components for motor vehicles and metal products for cable industry and mining ZASTAVA METAL, RESAVICA

Auction Sale Code: 301107-1728p

Official ID number of the Entity: **07609582**

Field of work: **Production of components and equipment for vehicles**

The entire estimated capital value to be privatized amounts to: **RSD 179.959.000 or *EUR 2.329.747** which is **70 %** of the entire capital of the entity.

Deposit for participation in the auction: **RSD 14.397.000 or *EUR 186.380**

Initial price at the auction sale: **RSD 28.793.000**

Minimum obligatory investments into the entity to be privatized amounts to: **RSD 10.959.000**

The most important assets of the entity to be privatized

A) Buildings – main facilities (m²):

1. Industrial facility I with the administrative building (3285) 2. Industrial facility II (2160) 3. Compression station (31) 4. Doorman's booth (14) 5. Filter facility (42)

B) Main equipment:

1) Press (ABKANT PST 165/4000) 2) Hydraulic scissors (MHS 13/3100) 3) Punkt apparatus (TA200) 4) pipe bending machine (HILGERS HYB50) 5) Lacquer machine 6) passenger vehicle (JUGO FLORIDA 1,3)

C) Land (m²): *construction facility: (19638) – socially owned;*

Balance sheet per year:		2004		2005	
Shown in:	RSD	**EUR	RSD	**EUR	
Total business revenues	61.194.000	838.251	84.359.000	1.017.514	
Total business expenses	74.221.000	1.016.698	101.592.000	1.225.373	

Main products/ services: 1) Mining equipment 2) Vehicles 3) Consumer goods 4) Tools

Total number of employees: 96; of which BS/ BA: 7

5) Basic information on the entity undergoing privatization: Socially-owned enterprise for building and upkeep of roads KNJAŽEVAC, KNJAŽEVAC

Auction Sale Code: 301107-1911p

Official ID number of the Entity: **07127707**

Field of work: **Building of roads and runways**

The entire estimated capital value to be privatized amounts to: **RSD 33.318.000 or *EUR 431.332** which is **70 %** of the entire capital of the entity.

Deposit for participation in the auction: **RSD 2.665.000 or *EUR 34.507**

Initial price at the auction sale: **RSD 5.331.000**

Minimum obligatory investments into the entity to be privatized amounts to: **RSD 231.000**

The most important assets of the entity to be privatized

A) Buildings – main facilities (m²):

1. Business building with a warehouse, workshop and common premises (64) 2. Warehouse and workshops (184) 3. Vehicle upkeep workshops and offices (247) 4. Warehouse and common premises (213) 5. Warehouse and common premises (59)

B) Main equipment:

1) Asphalt base (25 t/h) 2) Grader (MG 145) 3) Grader (G-110) 4) Loading shovel (ULT 160) 5) Loading shovel (ULT 150) 6) Bulldozer (TG-1708) 7) Finishing device

C) Land (m²): *Entire land: (14990); construction land: (10446) – state owned; agricultural land: (4544) – socially owned;*

Balance sheet per year:		2004		2005	
Shown in:	RSD	**EUR	RSD	**EUR	
Total business revenues	21.654.000	296.622	30.227.000	364.589	
Total business expenses	29.344.000	401.962	29.602.000	357.051	

Main products/ services: 1) Building of traffic facilities 2) Upkeep of traffic facilities 3) Transport of goods by road 4) Sand and gravel extraction 5) Production of concrete products

Total number of employees: 92; of which BS/ BA: 5

6) Basic information on the entity undergoing privatization: Specialized construction joint-stock company IZOLACIJA holding, BEOGRAD

Auction Sale Code: 301107-1945p

Official ID number of the Entity: **07015135**

Field of work: **Holding works**

The entire estimated capital value to be privatized amounts to: **RSD 462.006.000 or *EUR 5.981.126** which is **68,397 %** of the entire capital of the entity.

Deposit for participation in the auction: **RSD 36.960.000 or *EUR 478.490**

Initial price at the auction sale: **RSD 73.921.000**

Minimum obligatory investments into the entity to be privatized amounts to: **RSD 11.104.000**

The most important assets of the entity to be privatized

A) Buildings – main facilities (m²):

1. Main building, Miška Jovanovića 9, Belgrade (1175) 2. Production hall, Kumodraška 257, Belgrade (1257) 3. Administrative building, Kumodraška 257, Belgrade (990) 4. Office space, Bulevar Nemanjića 25, Niš (139) 5. Administrative building, Čačak (300)

B) Main equipment:

1) Tipper truck (FAP 2021) 2) Automobile (2) (DACIA SOLENZA KOMFORT 1.9 D) 3) orthogonal joint (2600) 4) Machine with a roller (HOLZ BF 300E) 5) Concrete machine (MC300) 6) Complete construction scaffold 7) Concrete polishing device (BTM 1200)

C) Land (m²):

Balance sheet per year:	2005		2006		
	Shown in:	RSD	**EUR	RSD	**EUR
Total business revenues		325.931.000	3.931.284	308.931.000	3.673.159
Total business expenses		340.144.000	4.102.718	381.369.000	4.534.439

Main products/ services: 1) Hydro and thermal insulation 2) Engineering 3) Repair and construction

Total number of employees: 144; of which BS/ BA: 10

7) Basic information on the entity undergoing privatization: Agricultural socially-owned enterprise KOCELJEVA, KOCELJEVA

Auction Sale Code: 301107-2049p

Official ID number of the Entity: **07647565**

Field of work: **Fruit growing**

The entire estimated capital value to be privatized amounts to: **RSD 37.708.000** or ***EUR 488.163** which is **70 %** of the entire capital of the entity.

Deposit for participation in the auction: **RSD 3.017.000** or ***EUR 39.053**

Initial price at the auction sale: **RSD 6.033.000**

Minimum obligatory investments into the entity to be privatized amounts to: **RSD 240.000**

The most important assets of the entity to be privatized

A) Buildings – main facilities (m²):

1. Warehouse, Bošnjaci (156) 2. Warehouse, Bresnica (135) 3. Warehouse, Koceljeva (347) 4. Slaughterhouse, Koceljeva (198) 5. Administrative building, Koceljeva (171)

B) Main equipment:

1) Office furniture 2) Scales (2 komada) (1000 kg) 3) Cash registers (2) 4) Computing equipment 5) Shelves (15)

C) Land (m²): *Entire land: (4890); construction land: (4890) (1.708) – socially owned, (3.182) – state owned;*

Balance sheet per year:	2005		2006		
	Shown in:	RSD	**EUR	RSD	**EUR
Total business revenues		164.000	1.978	151.000	1.795
Total business expenses		1.822.000	21.976	600.000	7.134

Main products/ services: 1) Fruit purchase services

Total number of employees: 11; of which BS/ BA: 0

8) Basic information on the entity undergoing privatization: Socially-owned enterprise for retail trade and wholesale of textile, furniture and footwear TEKSTIL PROMET, LESKOVAC

Auction Sale Code: 301107-2057p

Official ID number of the Entity: **07362331**

Field of work: **Wholesale of textile**

The entire estimated capital value to be privatized amounts to: **RSD 133.614.000** or ***EUR 1.729.763** which is **70 %** of the entire capital of the entity.

Deposit for participation in the auction: **RSD 10.689.000** or ***EUR 138.381**

Initial price at the auction sale: **RSD 21.378.000**

Minimum obligatory investments into the entity to be privatized amounts to: **RSD 3.229.000**

The most important assets of the entity to be privatized

A) Buildings – main facilities (m²):

1. Warehouse – ground floor, three floors and loft (5888) 2. Administrative building and power facility (962) 3. Building – store (240)

B) Main equipment:

1) Transporter (Tam 4,5 t) 2) Passenger vehicle (Lada Niva) 3) Shelves and booths 4) Office furniture

C) Land (m²): *Entire land: (5926); Construction land: (5926) – state owned;*

Balance sheet per year:	2005		2006		
	Shown in:	RSD	**EUR	RSD	**EUR
Total business revenues		5.183.000	62.516	18.407.000	218.857
Total business expenses		8.491.000	102.416	23.652.000	281.220

Main products/ services: 1) Trade in textile

Total number of employees: 19; of which BS/ BA: 0

9) Basic information on the entity undergoing privatization: Limited liability company DVADESETPRVI MAJ – LIVNICA RALJA, RALJA

Auction Sale Code: 301107-2059p

Official ID number of the Entity: **17064142**

Field of work: **Iron casting**

The entire estimated capital value to be privatized amounts to: **RSD 245.933.000** or ***EUR 3.183.851** which is **70 %** of the entire capital of the entity.

Deposit for participation in the auction: **RSD 19.675.000** or ***EUR 254.708**

Initial price at the auction sale: **RSD 39.349.000**

Minimum obligatory investments into the entity to be privatized amounts to: **RSD 18.950.000**

The most important assets of the entity to be privatized

A) Buildings – main facilities (m²):

1. Production hall (7284) 2. Administrative building (1719) 3. Doorman's booth and surgery (104) 4. Laboratory, user (348) 5. Kitchen and restaurant, user (1086) 6. Warehouse, user (1221) 7. Workshop, user (1221) 8. Cloakrooms, user (1821)

B) Main equipment:

1) Furnace with the machine (2) (Cer) 2) Electric induction furnace 3) Furnace (Cer Čačak) 4) Casting machine (12) 5) Casting machine (12) 6) Machine (9) (Šalko)

C) Land (m²): Entire land: (84259); construction land: (60085) – socially owned; agricultural land: (24174) – state owned;

Balance sheet per year:	2005		2006		
	Shown in:	RSD	**EUR	RSD	**EUR
Total business revenues		28.997.000	349.753	27.524.000	327.258
Total business expenses		63.813.000	769.694	56.036.000	666.262

Main products/ services: 1) Sewage parts with and without sockets 2) Casting of motor parts 3) Casting pig products 4) Sand blasting

Total number of employees: 58; of which BS/ BA: 3