

# 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 (5<sup>th</sup> floor), Novi Sad, 9:00–16:30, from 07.11.2007 to 28.11.2007.

**DEADLINE FOR SUBMISSION OF APPLICATIONS IS 29.11.2007 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 071207, Bulevar Mihajla Pupina 10 (5<sup>th</sup> 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: 07.12.2007.**

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:

**07.12.2007, 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 (07.12.2007) 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 (07.12.2007) 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 07.11.2007 to 28.11.2007, 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 06.11.2007.*

\*\* *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 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:** 071207-0443p

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

Field of work: **Production of leather goods**

The entire estimated capital value to be privatized amounts to: **RSD 258.654.000** or \*EUR 3.342.636 which is **69,83 %** of the entire capital of the entity.

**Deposit** for participation in the auction: **RSD 20.692.000** or \*EUR 267.411

**Initial price** at the auction sale: **RSD 41.385.000**

**Minimum obligatory investments** into the entity to be privatized amounts to: **RSD 15.154.000**

#### The most important assets of the entity to be privatized

##### A) Buildings – main facilities (m<sup>2</sup>):

1. Administrative building (896) 2. Production hall – cardboard and mechanical workshop (351) 3. Production hall – sewing workshop (4743) 4. Carpentry workshop (4722) 5. Restaurant (1271) 6. Flats (9 pieces) – u Bačkoj Palanci (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) Casrdboard processing machine (REGO) 2) Sewing machine (PFAFF) 3) Sewing machine (SINGER) 4) Sewing machine (ADLER) 5) Edge thinning machine (FORTUNA) 6) Leather pressing machine

##### C) Land (m<sup>2</sup>): *Entire land: construction land: (15613) – socially owned*

Balance sheet per year:	2005		2006	
	RSD	**EUR	RSD	**EUR
Shown in:				
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) 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: Joint-stock company PUTEVI, ZRENJANIN

**Auction Sale Code:** 071207-2069p

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

Field of work: **Rough construction works**

The entire estimated capital value to be privatized amounts to: **RSD 28.254.000** or \*EUR 365.127 which is **67,438 %** of the entire capital of the entity.

**Deposit** for participation in the auction: **RSD 2.260.000** or \*EUR 29.210

**Initial price** at the auction sale: **RSD 4.521.000**

**Minimum obligatory investments** into the entity to be privatized amounts to: **RSD 643.000 Din**

#### The most important assets of the entity to be privatized

##### A) Buildings – main facilities (m<sup>2</sup>):

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

##### B) Main equipment:

1) Office furniture 2) Computer equipment

##### C) Land (m<sup>2</sup>): *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) Building of roads, sidewalks, bicycle tracks 3) Building of sports fields 4) Road upkeep in winter conditions 5) Setting and replacment of sign work

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

### 3) Basic information on the entity undergoing privatization: Public newspaper publishing enterprise PANČEVAC, PANČEVO

**Auction Sale Code:** 071207-2133

Official ID number of the Entity: **08393354**

Field of work: **Newspaper publishing**

**The most important assets of the entity to be privatized**

**A) Buildings – main facilities (m²):**

The entire estimated capital value to be privatized amounts to: **RSD 47.247.000** or \***EUR 610.588** which is **70 %** of the entire capital of the entity.

**Deposit** for participation in the auction: **RSD 6.525.000** or \***EUR 84.326**

**Initial price** at the auction sale: **RSD 13.050.000**

**Minimum obligatory investments** into the entity to be privatized amounts to: **RSD 1.072.000**

**B) Main equipment:**

1) Computer equipment 2) Office furniture 3) Printers 4) Cameras 5) Switchboard (Panasonic KX-TA 616) 6) Air conditioners

**C) Land (m²):**

**Balance sheet per year:**

Shown in:	2005		2006	
	RSD	**EUR	RSD	**EUR
Total business revenues	47.919.000	577.985	56.903.000	676.571
Total business expenses	47.752.000	575.971	56.811.000	675.477

**Main products/ services:** 1) Newspaper "Pančevac"

**Total number of employees:** 26; **of which BS/ BA:** 11

### 4) Basic information on the entity undergoing privatization: ELEKTROSERVIS ad for production and trade of electrical mashines and devices PETROVARADIN

**Auction Sale Code:** 071207-2134

Official ID number of the Entity: **08024553**

Field of work: **Upkeep and repair of machines**

**The most important assets of the entity to be privatized**

**A) Buildings – main facilities (m²):**

1. Building 2 (126) 2. Building 3 (66) 3. Business-residential facility (240) 4. Warehouse(289)

The entire estimated capital value to be privatized amounts to: **RSD 24.710.000** or \***EUR 319.337** which is **67,088 %** of the entire capital of the entity.

**Deposit** for participation in the auction: **RSD 2.965.000** or \***EUR 38.321**

**Initial price** at the auction sale: **RSD 5.931.000**

**Minimum obligatory investments** into the entity to be privatized amounts to: **RSD 42.000**

**B) Main equipment:**

1) General plane 2) Plane (UT-120 BR 675 APR) 3) Hydraulic press (VP- 160 M8) 4) General milling machine (VF 9) 5) Office furniture 6) Automobile (Zastava 35.8 Rival)

**C) Land (m²):**

**Balance sheet per year:**

Shown in:	2005		2006	
	RSD	**EUR	RSD	**EUR
Total business revenues	5.725.000	69.053	5.219.000	62.053
Total business expenses	6.635.000	80.029	7.622.000	90.625

**Main products/ services:** 1) Electrical motor rewinding 2) Repair of pumps 3) Manufacture of fillers 4) Manufacture of transformers 5) Manufacture of starters

**Total number of employees:** 15; **of which BS/ BA:** 0

### 5) Basic information on the entity undergoing privatization: Agricultural limited liability company POBEDA, VLADIMIROVAC

**Auction Sale Code:** 071207-2135

Official ID number of the Entity: **08047588**

Field of work: **Growing of grains and crops**

**The most important assets of the entity to be privatized**

**A) Buildings – main facilities (m²):**

1. Administrative building (400) 2. Mill (986) 3. Workers' facility (216) 4. Mechanical workshop (440) 5. Grain food warehouse (331) 6. Stable (677) 7. Pigsty (500)

The entire estimated capital value to be privatized amounts to: **RSD 374.198.000** or \***EUR 4.835.826** which is **28,413 %** of the entire capital of the entity.

**Deposit** for participation in the auction: **RSD 44.904.000** or \***EUR 580.299**

**Initial price** at the auction sale: **RSD 89.807.000**

**Minimum obligatory investments** into the entity to be privatized amounts to: **RSD 0 Din**

**B) Main equipment:**

1) Passenger vehicle (Florida, Yugo tempo, Yugo skala, Skala poli) 2) Press 3) Harrow (Disc Harrow) 4) Corn adapter (460) 5) Mising workshop equipment 6) Kiln (Pobeda) 7) Fertilizer spray (Amazone) 8) Extrusion equipment

**C) Land (m²):** *Entire land: (225532); construction land: (9880) socially owned; agricultural land: (4570668) 467272 – socially owned, 4103396 – state owned*

**Balance sheet per year:**

**2005. godinu**

**2006. godinu**

Shown in:	RSD	**EUR	RSD	**EUR
Total business revenues	129.211.000	1.558.505	663.381.000	7.887.533
Total business expenses	231.380.000	2.790.838	1.038.711.000	12.350.169

**Main products/ services:** 1) Growing of crops and grains 2) Growing of vegetables, flowers, 3) Cattle breeding and production of milk 4) Breeding of sheep, pigs and poultry

**Total number of employees:** 168; **of which BS/ BA:** 6

### 6) Basic information on the entity undergoing privatization: Socially-owned enterprise for wholesale and retail trade PREHRANA with unlimited liability, SREMSKA MITROVICA

**Auction Sale Code:** 071207-2136

Official ID number of the Entity: **08497273**

Field of work: **Non-specialized retail trade in food**

#### The most important assets of the entity to be privatized

##### A) Buildings – main facilities (m²):

1. Administrative building (271) 2. Store "Kristal" (321) 3. Store "Dragstor" (439) 4. Store "Nama" (385) 5. Store "Sava" (452)

The entire estimated capital value to be privatized amounts to: **RSD 114.277.000 or \*EUR 1.476.826** which is **70 %** of the entire capital of the entity.

**Deposit** for participation in the auction: **RSD 13.713.000 or \*EUR 177.219**

**Initial price** at the auction sale: **RSD 27.427.000**

**Minimum obligatory investments** into the entity to be privatized amounts to: **RSD 1.443.000**

##### B) Main equipment:

1) Scales (horizontal 200kg) 2) Display refrigerator (SOKO) 3) Display refrigerator (JUGOSTROJ) 4) Display refrigerator (MELOPOLI) 5) Wardrobes 6) Shelves

##### C) Land (m²):

#### Balance sheet per year:

Shown in:	2005		2006	
	RSD	**EUR	RSD	**EUR
Total business revenues	4.399.000	53.059	6.031.000	71.708
Total business expenses	8.792.000	106.047	11.013.000	130.943

**Main products/ services:** 1) Retail trade 2) Retail trade 3) Leasing

**Total number of employees:** 51; **of which BS/ BA:** 1

### 7) Basic information on the entity undergoing privatization: Enterprise for final construction works AZUR DOO, SENTA

**Auction Sale Code:** 071207-2137

Official ID number of the Entity: **08052743**

Field of work: **Dyeing and glazing**

#### The most important assets of the entity to be privatized

##### A) Buildings – main facilities (m²):

1. Administrative building (200) 2. Business premises – warehouse (476)

The entire estimated capital value to be privatized amounts to: **RSD 18.400.000 or \*EUR 237.782** which is **58,31 %** of the entire capital of the entity.

**Deposit** for participation in the auction: **RSD 1.840.000 or \*EUR 23.778**

**Initial price** at the auction sale: **RSD 3.680.000**

**Minimum obligatory investments** into the entity to be privatized amounts to: **RSD 1.561.000**

##### B) Main equipment:

1) Passenger vehicle (LADA KARAVAN) 2) Passenger vehicle (WV POLO) 3) Van (WV dizel) 4) Generator (MG 5/4) 5) Transporter (TAM 1,5 T; TAM cestar) 6) Pneumatic hammer (2 pieces) (TEKS 23) 7) Grinders

##### C) Land (m²): *Construction land: (2263) – socially owned*

#### Balance sheet per year:

Shown in:	2005		2006	
	RSD	**EUR	RSD	**EUR
Total business revenues	32.887.000	396.673	45.924.000	546.032
Total business expenses	31.228.000	376.663	42.089.000	500.434

**Main products/ services:** 1) Construction services in reconstruction, adaption and repair of facilities

**Total number of employees:** 25; **of which BS/ BA:** 0