

# 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., 5<sup>th</sup> floor, from 09:00 to 16:30, in the period from 14.11.2007 until 05.12.2007.

**DEADLINE FOR SUBMISSION OF APPLICATIONS IS 06.12.2007, BY 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 141207, Privatization Agency, Belgrade, 23 Terazije St, 5<sup>th</sup> floor".

*\* The total estimated capital value to be privatized, stated in EUR, was calculated according to the official exchange rate on 12.11.2007.*

*\*\* 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 PRIVATIZATION ENTITY ON THE ENVELOPE, OR FULL AUCTION CODE, THE APPLICATION CAN BE REJECTED.

**THE AUCTION WILL BE HELD ON: 14.12.2007.**

at the address: **Privatization Agency, Belgrade, 23 Terazije St., 2<sup>nd</sup> floor, Large Hall**, at **11:00**. Registration of the auction participants will be held at the same address on:

**14.12.2007, 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 (14.12.2007) 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 (14.12.2007) 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 has to be due within 48 hours after the declaration a buyer.

Deposit for participation is to be returned within 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 of the Confidentiality Agreement in the period from 14.11.2007 to 05.12.2007, at the time previously agreed with the Privatization Agency, tel: (+381 11) 3020-842; (+381 11) 3020-803 or fax: (+381 11) 3020-881.

## Brief description of the 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 of 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 privatization entity: Holding enterprise LESKODRVO Ltd., LESKOVAC

**Auction sale code:** 141207-1470p

Official ID number of the entity: **07105223**

Field of work: **Production of chairs and seats**

The entire estimated capital value to be privatized amounts to: **RSD 28.266.000** or \***EUR 360.976**, which is **70 %** of the total entity capital.

**Deposit** for participation in the auction: **RSD 1.413.000** or \***EUR 18.049**

**Initial price** at the auction sale: **RSD 2.827.000**

**Minimum obligatory investments** into the privatization entity amounts to: **RSD 10.702.000**

#### Main property of the privatization entity

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

1. Chair production plant – new hall (1303) 2. Chair production plant – old hall (1600) 3. Main production hall (2140) 4. Warehouse of finished products (2059) 5. Production hall–tailoring section (2292)

##### B) Main equipment:

1) Two–side machine (2 pieces) 2) Steam boiler (4 pieces) 3) Boiler (KL–60) 4) Equipment of the lacquer–finishing shop 5) Equipment of the heating sub–station and steam pipeline 6) Equipment of the steam boiler

**C) Land (m<sup>2</sup>):** *Entire land: (76508); Construction land: (76508) – state–owned;*

Balance sheet per year:	2004		2005		
	Shown in:	RSD	**EUR	RSD	**EUR
Total operating revenues		24.966.000	341.991	15.094.000	182.059
Total operating expenses		108.210.000	1.482.288	82.123.000	990.544

**Main products/services:** 1) Tables 2) Couches 3) Upholstered chairs 4) Bar chairs 5) Unupholstered chairs 6) Timber 7) Cut veneer 8) Pressings

**Total number of employees:** 149; **of which BS/BA:** 3

### 2) Basic information on the privatization entity: Socially–owned enterprise for production of agricultural machinery LEMIND–PROLETER, LESKOVAC

**Auction sale code:** 141207-1788p

Official ID number of the entity: **07204868**

Field of work: **Production of agricultural machinery**

The entire estimated capital value to be privatized amounts to: **RSD 432.819.000** or \***EUR 5.527.363**, which is **70 %** of the total entity capital.

**Deposit** for participation in the auction: **RSD 34.626.000** or \***EUR 442.189**

**Initial price** at the auction sale: **RSD 69.251.000**

**Minimum obligatory investments** into the privatization entity amounts to: **RSD 7.032.000**

#### Main property of the privatization entity

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

1. Production hall–forge shop (4746) 2. Production hall (4465) 3. Production hall–mechanic processing of metal (2668) 4. Production hall–assembly of heavy instruments (2888) 5. Paint store (1927)

##### B) Main equipment:

1) Rolling line 2) Equipment for new paint store 3) Frame saw 4) Eccentric press 5) Universal lathe

**C) Land (m<sup>2</sup>):** *Entire land: (83683); Construction land: (76954) – state–owned; Farming land: (6729) – state–owned;*

Balance sheet per year:	2005		2006		
	Shown in:	RSD	**EUR	RSD	**EUR
Total operating revenues		125.138.000	1.509.378	115.340.000	1.371.381
Total operating expenses		141.320.000	1.704.561	150.310.000	1.787.171

**Main products/services:** 1) Ploughs 2) Disc harrows 3) Weeders 4) Potato pull–out machines 5) Rotary cutter

**Total number of employees:** 133; **of which BS/BA:** 7

### 3) Basic information on the privatization entity: Socially–owned enterprise DOMAĆA READINOST, LESKOVAC

**Auction sale code:** 141207-1811p

Official ID number of the entity: **07196091**

Field of work: **Manufacture of knitted and crocheted pullovers**

The entire estimated capital value to be privatized amounts to: **RSD 58.049.000** or \***EUR 741.319**, which is **70 %** of the total entity capital.

**Deposit** for participation in the auction: **RSD 4.644.000** or \***EUR 59.306**

**Initial price** at the auction sale: **RSD 9.288.000**

**Minimum obligatory investments** into the privatization entity amounts to: **RSD 1.143.000**

#### Main property of the privatization entity

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

1. Administration building with production (1190) 2. Warehouse (232) 3. Production facility (28) 4. Warehouse (54)

##### B) Main equipment:

1) Machines (3 pieces, NECCHI) 2) Ueberdex (2 pieces, KANSAI) 3) Knitting automate (MERIMA) 4) Machine 5) Secondary machine 6) Secondary machine (FM 5)

**C) Land (m<sup>2</sup>):** *Entire land: (7814); Construction land: (7814) – state–owned;*

Balance sheet per year:	2005		2006	
Shown in:	RSD	**EUR	RSD	**EUR
Total operating revenues	676.000	8.154	353.000	4.197
Total operating expenses	2.255.000	27.199	623.000	7.407

**Main products/services:** 1) Men, women and children's garments 2) Men, women and children's light garments 3) Garments for catering and baking industry 4) Flags

**Total number of employees:** 8; of which BS/BA: 1

#### 4) Basic information on the privatization entity: Socially-owned textile enterprise TIG, GRDELICA

**Auction sale code:** 141207-2073n

Official ID number of the entity: **07196504**

Field of work: **Manufacture of woolen fabrics**

**Main property of the privatization entity**

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

1. Fabric processing facility (5211) 2. Hall (3400) 3. Weaving facility (2550) 4. Fabric processing facility (1773) 5. New weaving facility (1300)

The entire estimated capital value to be privatized amounts to: **RSD 175.782.000** or \***EUR 2.244.842**, which is **70 %** of the total entity capital.

**Deposit** for participation in the auction: **RSD 14.063.000** or \***EUR 179.587**

**Initial price** at the auction sale: **RSD 28.125.000**

**Minimum obligatory investments** into the privatization entity amounts to: **RSD 60.053.000**

**B) Main equipment:**

1) Steam boiler (Novium) 2) Autoconer (40706) 3) Wool washing machine (BS 2A) 4) Dry cleaning machine (Pobeda seko) 5) Weaver's frame STB (11 pieces) (Tip 220) 6) Thread processing (5 pieces)

**C) Land (m<sup>2</sup>):** *Entire land: (49310); Construction land: (49310) – (45.990) – state-owned, (3320) – socially-owned;*

Balance sheet per year:	2005		2006	
Shown in:	RSD	**EUR	RSD	**EUR
Total operating revenues	5.183.000	62.516	77.034.000	915.927
Total operating expenses	8.491.000	102.416	146.882.000	1.746.412

**Main products/services:** 1) Manufacture of combed fabrics

**Total number of employees:** 146; of which BS/BA: 5

#### 5) Basic information on the privatization entity: KOSOVOPROJEKT – Socially-owned enterprise for design and building construction AGORA, BELGRADE

**Auction sale code:** 141207-2078n

Official ID number of the entity: **07493606**

Field of work: **Construction designing**

**Main property of the privatization entity**

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

1. Office building (part), 6 Matoševa Str., Belgrade – right to use (107) 2. Office building (part – building in the yard), 6 Matoševa Str., Belgrade – user (14)

The entire estimated capital value to be privatized amounts to: **RSD 15.677.000** or \***EUR 200.200**, which is **70 %** of the total entity capital.

**Deposit** for participation in the auction: **RSD 1.254.000** or \***EUR 16.016**

**Initial price** at the auction sale: **RSD 2.508.000**

**Minimum obligatory investments** into the privatization entity amounts to: **RSD 2.979.000**

**B) Main equipment:**

1) PC (INT-P4) 2) PC (Pentium IV/1700) 3) Air-conditioner (3 pieces) 4) Mobile phone (Ericsson) 5) Chairs (4 pieces)

**C) Land (m<sup>2</sup>):**

Balance sheet per year:	2005		2006	
Shown in:	RSD	**EUR	RSD	**EUR
Total operating revenues	4.742.000	57.197	2.928.000	34.814
Total operating expenses	5.479.000	66.086	4.788.000	56.929

**Main products/services:** 1) Services

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

#### 6) Basic information on the privatization entity: Hairdresser's shop 1. MAJ, GORNJI MILANOVAC

**Auction sale code:** 141207-2143

Official ID number of the entity: **07192851**

Field of work: **Hairdresser's treatments**

**Main property of the privatization entity**

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

The entire estimated capital value to be privatized amounts to: **RSD 19.000** or \***EUR 242**, which is **70 %** of the total entity capital.

**Deposit** for participation in the auction: **RSD 2.000** or \***EUR 24**

**Initial price** at the auction sale: **RSD 4.000**

**Minimum obligatory investments** into the privatization entity amounts to: **RSD 3.000**

**B) Main equipment:**

1) Fiscal cash-register (Galeb)

**C) Land (m<sup>2</sup>):**

Balance sheet per year:	2005		2006	
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Shown in:	RSD	**EUR	RSD	**EUR
Total operating revenues	408.000	4.921	651.000	7.740
Total operating expenses	401.000	4.837	639.000	7.598

**Main products/services:** 1) Hairdresser's treatments  
**Total number of employees:** 3; of which BS/BA: 0

### 7) Basic information on the privatization entity: Joint-stock company for production of geological and mining equipment and diamond drilling tools GEOMAŠINA, BELGRADE

**Auction sale code:** 141207-2144

Official ID number of the entity: **07012616**

Field of work: **Production of building machines**

The entire estimated capital value to be privatized amounts to: **RSD 165.530.000** or **\*EUR 2.113.924**, which is **69,062 %** of the total entity capital.

**Deposit** for participation in the auction: **RSD 19.864.000** or **\*EUR 253.671**

**Initial price** at the auction sale: **RSD 39.727.000**

**Minimum obligatory investments** into the privatization entity amounts to: **RSD 4.000.000**

#### Main property of the privatization entity

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

1. Machine hall 1 with technical preparation, 3 Batajnički put, Belgrade (3730) 2. Machine hall 2, 3 Batajnički put, Belgrade (1525) 3. Machine hall for cutting, 3 Batajnički put, Belgrade (280) 4. Material cutting room, 3 Batajnički put, Belgrade (230) 5. Canteen, 3 Batajnički put, Belgrade (340) 6. Low-rise administration building, 3 Batajnički put 3, Belgrade (700)

##### B) Main equipment:

1) Passenger vehicle (KIA CORATO HB-LH 1, CRD) 2) Optical grinder 3) One-side grinder 4) Vertical forging press 5) Crank press (TKM1600) 6) Compressor generator (E1CM 2120) 7) Computer equipment

**C) Land (m<sup>2</sup>):** *Entire land: (35500); Construction land: (35500) – state-owned;*

Balance sheet per year:		2005		2006	
Shown in:		RSD	**EUR	RSD	**EUR
Total operating revenues		28.027.000	338.053	57.767.000	686.844
Total operating expenses		41.090.000	495.616	56.288.000	669.259

**Main products/services:** 1) Drilling machines 2) Pumps

**Total number of employees:** 90; of which BS/BA: 5

### 8) Basic information on the privatization entity: Construction company NOVI KOLEKTIV, BELGRADE

**Auction sale code:** 141207-2145

Official ID number of the entity: **07020643**

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

The entire estimated capital value to be privatized amounts to: **RSD 326.575.000** or **\*EUR 4.170.565**, which is **70 %** of the total entity capital.

**Deposit** for participation in the auction: **RSD 39.189.000** or **\*EUR 500.468**

**Initial price** at the auction sale: **RSD 78.378.000**

**Minimum obligatory investments** into the privatization entity amounts to: **RSD 7.529.000**

#### Main property of the privatization entity

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

1. Head office, 30 Narodnih heroja Str., Novi Beograd (332) 2. Administration building, Block of buildings 25 – Autoput, Novi Beograd (348) 3. Canteen and sanitary block, Block of buildings 25 – Autoput, Novi Beograd (313) 4. Workshop, Block of buildings 25 – Autoput, Novi Beograd (606) 5. Warehouse, Block of buildings 25 – Autoput, Novi Beograd (650)

##### B) Main equipment:

1) Construction machinery 2) Section of regulation of ground water

**C) Land (m<sup>2</sup>):** *Entire land: (38264); Construction land: (38264) – state-owned;*

Balance sheet per year:		2005		2006	
Shown in:		RSD	**EUR	RSD	**EUR
Total operating revenues		2.483.000	29.949	1.448.000	17.217
Total operating expenses		14.950.000	180.323	23.394.000	278.152

**Main products/services:** 1) Basic construction works and specific low building operations 2) Other construction and specialized works

**Total number of employees:** 84; of which BS/BA: 2

