

In accordance with Article 38 of the Law on Privatization ("Official Gazette of the RS", nos. 38/01, 18/03 and 45/05), and Article 9 of the Decree on sale of capital and property by Public auction ("Official Gazette of the RS" nos. 52/05 and 91/07), the Privatization Agency announces:

PUBLIC INVITATION FOR PARTICIPATION IN PUBLIC AUCTIONS

Basic data on Auction sale

Interested parties can purchase the auction documents at the price of **RSD 40000**, 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 Street, 5th floor, 09:00-16:30, from 15.08.2008 to 17.09.2008.

DEADLINE FOR SUBMISSION OF APPLICATIONS IS 18.09.2008. 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 260908, Privatization Agency, Belgrade, 23 Terazije St, 5th floor".

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: 26.09.2008.

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: **26.09.2008, 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 (26.09.2008.) 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 (26.09.2008.) 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 signing the Confidentiality Agreement in the period from 15.08.2008 to 17.09.2008.

* *The total estimated capital value to be privatized, stated in EUR, was calculated according to the official exchange rate on the day of the public invitation's preparation*

** *Data on the real estate of the entity undergoing privatization from this public invitation are presented only for the purpose of giving information, while the data on the legal basis, ownership type and right to them are presented in the Auction Documents.*

*** *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: Socially-owned enterprise DOMAĆA INDUSTRIJA ODEĆE I RUBLJA KRAGUJEVAC, KRAGUJEVAC

Auction Sale Code: 260908-0006p

Official ID number of the Entity: **07577940**

Field of work: **Production of clothes**

The entire estimated capital value to be privatized amounts to: **RSD 41.381.000 or *EUR 546.253** which is **70 %** of the entire capital of the entity.

Deposit for participation in the auction: **RSD 2.069.000 or *EUR 27.313**

Initial price at the auction sale: **RSD 4.138.000**

Minimum obligatory investments into the entity to be privatized amounts to: **RSD 13.882.000**

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

A) Buildings – main facilities (m²):

1. Plant (4010) 2. Garages (12) 3. Doorman's booth (15)

B) Main equipment:

1) Truck (Turbo Zeta) 2) Sewing machines (68) (DDL-8500) 3) Sewing machines (20) (DDL-8500-1) 4) Sewing machines (12) (FF-6-40X) 5) Sewing machines (5) (IBERDEK)

C) Land (m²): *Entire land: (5218) ; construction land: (5218) – state owned*

Balance sheet per year:		2004		2005	
Shown in:	RSD	***EUR	RSD	***EUR	***EUR
Total business revenues	45.943.000	629.339	57.695.000	695.900	
Total business expenses	90.140.000	1.234.761	89.132.000	1.075.084	

Main products/ services: 1) Men's coats (winter and summer programs) 2) Men's jackets (winter and summer programs) 3) Women's coats (winter and summer programs) 4) Women's jackets (winter and summer programs) 5) Women's jackets, skirts, dresses

Total number of employees: 198; of which BS/ BA: 0

2) Basic information on the entity undergoing privatization: Enterprise for building of construction facilities STANKOM STANDARD AD, ARANĐELOVAC

Auction Sale Code: 260908-0012p

Official ID number of the Entity: **07113129**

Field of work: **Production of clothes**

The entire estimated capital value to be privatized amounts to: **RSD 59.182.000 or *EUR 781.235** which is **68,376 %** of the entire capital of the entity.

Deposit for participation in the auction: **RSD 2.959.000 or *EUR 39.062**

Initial price at the auction sale: **RSD 5.918.000**

Minimum obligatory investments into the entity to be privatized amounts to: **RSD 13.341.000**

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

A) Buildings – main facilities (m²):

1. Administrative building (883) 2. Old administrative building (251) 3. Carpentry workshop (628) 4. Production hall – reinforcing workshop (1476) 5Administrative building(48) 6. Shed (280)

B) Main equipment:

1) Boiler (Vaporeks) 2) Pump 3) Oil tank 4) Passenger vehicle (Fiat Tempra) 5) Truck (Zastava) 6) Concrete plant

C) Land (m²):

Balance sheet per year:		2001. godinu		2002. godinu	
Shown in:	Din	***EUR	Din	***EUR	***EUR
Total business revenues	15.959.000	268.228	21.680.000	359.208	
Total business expenses	27.459.000	461.511	29.716.000	492.354	

Main products/ services: 1) Building construction 2) Building 3) Reconstruction of facilities

Total number of employees: 118; of which BS/ BA: 4

3) Basic information on the entity undergoing privatization: Socially-owned enterprise MLADOST garment industry, POŽEGA

Auction Sale Code: 260908-0877p

Official ID number of the Entity: **07190573**

Field of work: **Production of linen**

The entire estimated capital value to be privatized amounts to: **RSD 95.177.000 or *EUR 1.256.391** which is **70 %** of the entire capital of the entity.

Deposit for participation in the auction: **RSD 4.759.000 or *EUR 62.820**

Initial price at the auction sale: **RSD 9.518.000**

Minimum obligatory investments into the entity to be privatized amounts to: **RSD 11.173.000**

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

A) Buildings – main facilities (m²):

1. Production hall, tailor's hall (6842) 2. Technical preparation facility (934) 3. Production hall, Roge (544) 4. Packaging hall (628) 5. Restaurant(315)

B) Main equipment:

1) Stitching machine 2) Sewing machines 3) Electrical steam irons 4) Steam boiler 5) Passenger vehicle (Laguna Concorde 1.8)

C) Land (m²): *Entire land: (32968) ; construction land: (32968); (1.126) – socially-owned; (31.842) – state owned*

Balance sheet per year:		2004		2005	
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Shown in:	RSD	***EUR	RSD	***EUR
Total business revenues	38.211.000	523.424	35.721.000	430.856
Total business expenses	63.694.000	872.497	64.187.000	774.205

Main products/ services: 1) men's shirts 2) Women's blouses 3) Linen for men and women 4) Women's dresses
Total number of employees: 239; of which BS/ BA: 4

4) Basic information on the entity undergoing privatization: Socially-owned enterprise for production of yarn, fabrics and garments TIB, BLACE

Auction Sale Code: 260908-1065p

Official ID number of the Entity: **07185057**

Field of work: **Production of yarn**

The entire estimated capital value to be privatized amounts to: **RSD 228.902.000 or *EUR 3.021.641** which is **70 %** of the entire capital of the entity.

Deposit for participation in the auction: **RSD 11.445.000 or *EUR 151.082**

Initial price at the auction sale: **RSD 22.890.000**

Minimum obligatory investments into the entity to be privatized amounts to: **RSD 11.652.000**

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

A) Buildings – main facilities (m²):

1. Hall (9574) 2. Warehouse of finished goods (1159) 3. Warehouse of raw materials (1134) 4. Building with a doorman's both (450)

B) Main equipment:

1) Yarn machines (8) (PA 12A-408) 2) Autocorner 3) Yarn machines (2) (Mettler-36V) 4) Yarn machines (2) (Wiffama)

C) Land (m²): *Entire land: (37722); construction land: (37722) – state owned*

Balance sheet per year:		2004		2005	
Shown in:		RSD	***EUR	RSD	***EUR
Total business revenues		38.130.000	522.314	3.152.000	38.019
Total business expenses		73.156.000	1.002.110	37.031.000	446.657

Main products/ services: 1) Wool 2) Yarn 3) Fabric 4) Other related products and services 5) Needlework wool

Total number of employees: 104; of which BS/ BA: 2

5) Basic information on the entity undergoing privatization: Socially-owned enterprise for upkeep of residential-utility and industrial facilities STANDARD, BOR

Auction Sale Code: 260908-1751p

Official ID number of the Entity: **07223790**

Field of work: **Installation works**

The entire estimated capital value to be privatized amounts to: **RSD 24.699.000 or *EUR 326.046** which is **70 %** of the entire capital of the entity.

Deposit for participation in the auction: **RSD 1.235.000 or *EUR 16.302**

Initial price at the auction sale: **RSD 2.470.000**

Minimum obligatory investments into the entity to be privatized amounts to: **RSD 2.050.000**

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

A) Buildings – main facilities (m²):

1. Administrative building (1320) 2. Locksmith's workshop (48) 3. Doorman's booth (4) 4. Workshop (23) 5. Two garages (128)

B) Main equipment:

1) Truck (Kiler 151) 2) Truck (2) (Zastava) 3) Road marking machine (MOP 25) 4) Abrichter 5) Rotation electrical welding apparatuses (3) (Končar) 6) Passenger vehicles (3) (Jugo Poli) 7) Construction scaffolding

C) Land (m²): *Entire land: (3338); construction land: (3338) – state owned*

Balance sheet per year:		2004		2005	
Shown in:		RSD	***EUR	RSD	***EUR
Total business revenues		497.000	6.808	24.000	289
Total business expenses		6.486.000	88.847	6.545.000	78.944

Main products/ services: 1) Final construction works

Total number of employees: 48; of which BS/ BA: 0

6) Basic information on the entity undergoing privatization: Socially-owned enterprise KRISTAL, PREŠEVO

Auction Sale Code: 260908-1864p

Official ID number of the Entity: **07308795**

Field of work: **Production and processing of glass**

The entire estimated capital value to be privatized amounts to: **RSD 34.234.000 or *EUR 451.908** which is **70 %** of the entire capital of the entity.

Deposit for participation in the auction: **RSD 2.739.000 or *EUR 36.153**

Initial price at the auction sale: **RSD 5.477.000**

Minimum obligatory investments into the entity to be privatized amounts to: **RSD 2.760.000**

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

A) Buildings – main facilities (m²):

1. Grinding and engraving facility (1200) 2. Warehouse of finished goods (1500) 3. Polishing workshop (748) 4. Boiler house (525) 5. Canteen (300)

B) Main equipment:

1) Electric fork-lift truck 2) Electric motor devices (154) 3) Computer polishing machines (3) 4) Vertical grinders (2)

C) Land (m²): *Entire land: (27608); construction land: (27608) – socially owned;*

Balance sheet per year:		2003		2004	
Shown in:		RSD	***EUR	RSD	***EUR

Total business revenues	441.000	6.779	906.000	12.411
Total business expenses	11.391.000	175.093	12.369.000	169.434

Main products/ services: 1) Glasses 2) Crystal mugs 3) Crystal vases
Total number of employees: 103; **of which BS/ BA:** 1