

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:

10 Bulevar Mihajla Pupina (5th floor), Novi Sad, 9:00–16:30, from 16.10.2008 to 05.11.2008.

DEADLINE FOR SUBMISSION OF APPLICATIONS IS 06.11.2008 AT 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 141108, 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: 14.11.2008.

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:

14.11.2008, 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 (14.11.2008.) 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 (14.11.2008.) 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 16.10.2008 to 05.11.2008.

* *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. depozita.

1) Basic information on the entity undergoing privatization: Socially-owned footwear plant MODA, DEBELJAČA

Auction Sale Code: <u>141108-3068p</u>		The entire estimated capital value to be privatized amounts to: RSD 41.963.000 or *EUR 522.116 which is 70 % of the entire capital of the entity.	
Official ID number of the Entity: 08029148		Deposit for participation in the auction: RSD 2.098.000 or *EUR 26.106	
Field of work: Production of leather shoes		Initial price at the auction sale: RSD 4.196.000	
The most important assets of the entity to be privatized **		Minimum obligatory investments into the entity to be privatized amounts to: RSD 3.173.000	
A) Buildings - main facilities (m²): 1. Production hall (1695) 2. Store (155)		B) Main equipment: 1) Tools (Euroles) 2) Sewing machines (2) (Minerva) 3) Sewing machine (Nechi) 4) Sewing machine (Ikos) 5) Packing machine (USM)	
C) Land (m²): <i>Entire land: (19421); construction land: (16455) - state owned; agricultural land: (2966) - state owned</i>			
Balance sheet per year:		2007	
2006		2007	
Shown in:	RSD	***EUR	***EUR
Total business revenues	2.351.000	27.953	2.872.000
Total business expenses	4.856.000	57.737	4.866.000
Main products/ services: 1) Sale of men's clothes			
Total number of employees: 7; of which BS/ BA: 0			

2) Basic information on the entity undergoing privatization: Socially-owned enterprise for processing of fruit and vegetables TAMIŠ HLADNJAČA, PANČEVO

Auction Sale Code: <u>141108-3136p</u>		The entire estimated capital value to be privatized amounts to: RSD 197.371.000 or *EUR 2.455.753 which is 70 % of the entire capital of the entity.	
Official ID number of the Entity: 08112207		Deposit for participation in the auction: RSD 15.790.000 or *EUR 196.460	
Field of work: Processing and canning of fruit and vegetables		Initial price at the auction sale: RSD 31.579.000	
The most important assets of the entity to be privatized **		Minimum obligatory investments into the entity to be privatized amounts to: RSD 10.613.000	
A) Buildings - main facilities (m²): 1. Cold-storage (7080) 2. Administrative building (1430) 3. Packaging warehouse with a garage and workshop (1200) 4. Cold-storage - preparation (160) 5. Fence (800)		B) Main equipment: 1) Office equipment 2) Device 3) Wheelbarrows	
C) Land (m²): <i>Entire land: (39917); construction land: (39917) - socially owned</i>			
Balance sheet per year:		2007	
2006		2007	
Shown in:	RSD	***EUR	***EUR
Total business revenues	31.474.000	374.223	34.722.000
Total business expenses	39.609.000	470.947	46.901.000

Main products/ services: 1) Fruit growing 2) Agricultural services 3) Processing of tea and coffee
Total number of employees: 49; **of which BS/ BA:** 1

3) Basic information on the entity undergoing privatization: KULSKI ŠTOFOVI plant for production of woolen fabrics and yarn AD, KULA

Auction Sale Code: 141108-3174p

Official ID number of the Entity: **08106380**

Field of work: **Production of woolen fabrics**

The entire estimated capital value to be privatized amounts to: **RSD 503.510.000 or *EUR 6.264.817** which is **67,536 %** of the entire capital of the entity.

Deposit for participation in the auction: **RSD 40.281.000 or *EUR 501.185**

Initial price at the auction sale: **RSD 80.562.000**

Minimum obligatory investments into the entity to be privatized amounts to: **RSD 6.480.000**

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

A) Buildings – main facilities (m²):

1. Weaving facility (2010) 2. Combing facility (1487) 3. Mixing facility (2656) 4. Weaving hall (6660) 5. Weaving hall (1992) 6. Industrial hall (2216)

B) Main equipment:

1) Car device (Savio RSA) 2) Leviathan device 3) Weaving devices (3) 4) Machine 5) Winding machine (Biella) 6) Carbonizing machine (Krantz) 7) Kiln (Krantz)

C) Land (m²): *Entire land: (33788) ; construction land: (33788) – state owned*

Balance sheet per year:	2006		2007		
	Shown in:	RSD	***EUR	RSD	***EUR
Total business revenues		5.942.000	70.650	23.771.000	297.271
Total business expenses		76.905.000	914.393	109.810.000	1.373.243

Main products/ services: 1) Wool, washed and dyed 2) All kinds of yarn 3) Woolen fabrics

Total number of employees: 233; **of which BS/ BA:** 2

4) Basic information on the entity undergoing privatization: Socially-owned enterprise SLOGA, RUSKO SELO

Auction Sale Code: 141108-3203

Official ID number of the Entity: **08021899**

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

The entire estimated capital value to be privatized amounts to: **RSD 315.319.000 or *EUR 3.923.287** which is **70 %** of the entire capital of the entity.

Deposit for participation in the auction: **RSD 37.838.000 or *EUR 470.794**

Initial price at the auction sale: **RSD 75.676.000**

Minimum obligatory investments into the entity to be privatized amounts to: **RSD 9.233.000**

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

A) Buildings – main facilities (m²):

1. Cow stables (3 building) (1974) 2. Warehouse (674) 3. Calf stable (764) 4. Cow stable (710) 5. Mixing facility (661) 6. Machine facility (422) 7. Mechanical workshop (960) 8. Stable for horses (1075) 9. Stable for big cattle (658)

B) Main equipment:

1) Combine (CLASS LEXION 440) 2) Tractor (JOHN DEERE) 3) Irrigation system equipment 4) Plough (EUROMAT 5 brazda) 5) Tractor (MT 2892 KI 5871) 6) Tractor (MT 2892 KI 8577)

C) Land (m²): *Entire land: (11372072) ; agricultural land: (11372072) ; (8585729) – socially owned ; (2786343) – state owned*

Balance sheet per year:	2006		2007		
	Shown in:	RSD	***EUR	RSD	***EUR
Total business revenues		57.431.000	682.849	80.116.000	1.001.901
Total business expenses		62.787.000	746.531	70.344.000	879.696

Main products/ services: 1) Wheat 2) Barley 3) Cornz 4) Soya 5) Sunflower

Total number of employees: 60; **of which BS/ BA:** 3