

# 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 11.03.2009 to 01.04.2009.

### **DEADLINE FOR SUBMISSION OF APPLICATIONS IS 02.04.2009 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 100409, Privatization Agency, Belgrade, 23 Terazije St, 5<sup>th</sup> 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: 10.04.2009.**

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

### **10.04.2009, 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 (10.04.2009.) 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 (10.04.2009.) 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 11.03.2009 to 01.04.2009.

\* *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: Enterprise for production of children's garments DEKON, ČUPRIJA**

**Auction Sale Code:** 100409-3292p

Official ID number of the Entity: **07166435**

Field of work: **Production of overalls**

The entire estimated capital value to be privatized amounts to: **RSD 29.213.000 or \*EUR 307.831** which is **70 %** of the entire capital of the entity.

**Deposit** for participation in the auction: **RSD 2.337.000 or \*EUR 24.626**

**Initial price** at the auction sale: **RSD 4.674.000**

**Minimum obligatory investments** into the entity to be privatized amount to: **RSD 1.077.000**

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

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

1. Production hall (1251) 2. Boiler house (32) 3. Prefabricated facility (109)

**B) Main equipment:**

1) Sewing machines 2) Passenger vehicle (Zastava 650) 3) Office furniture

**C) Land (m²):**

**Income statement per year:**

Shown in:	2006		2007	
	RSD	***EUR	RSD	***EUR
Total business revenues	1.722.000	20.474	2.060.000	25.762
Total business expenses	11.432.000	135.925	11.878.000	148.542

**Main products/ services:** 1) Production of overalls

**Total number of employees:** 3; **of which BS/ BA:** 0

**2) Basic information on the entity undergoing privatization: Socially-owned enterprise for agricultural production and trade STALAC, STALAC**

**Auction Sale Code:** 100409-3299p

Official ID number of the Entity: **07191545**

Field of work: **Cattle breeding and milk production**

The entire estimated capital value to be privatized amounts to: **RSD 61.269.000 or \*EUR 645.623** which is **70 %** of the entire capital of the entity.

**Deposit** for participation in the auction: **RSD 4.901.000 or \*EUR 51.650**

**Initial price** at the auction sale: **RSD 9.803.000**

**Minimum obligatory investments** into the entity to be privatized amount to: **RSD 436.000**

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

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

1. Business premises (105) 2. Plane facility (99) 3. Store no. 10 (75) 4. Store no. 7 (75)  
5. Store no. 5 (60)

**B) Main equipment:**

1) Truck (FAP 16/20) 2) Display refrigerator 3) Fisca cash-register (2)

**C) Land (m²):** *Entire land: (5719410) ; construction land: (15755) – socially owned; agricultural land: (717571) (2245) – socially owned; (715336) – state owned; forest land: (4956595) (2968366) – socially owned; (1970229) – state owned; other types of land: (29489) (1235) – socially owned; (28254) – socially-owned;*

**Income statement per year:**

Shown in:	2006		2007	
	RSD	***EUR	RSD	***EUR
Total business revenues	816.000	9.702	379.000	4.740
Total business expenses	2.794.000	33.220	3.375.000	42.206

**Main products/ services:** 1) Cattle breeding 2) production of milk

**Total number of employees:** 14; **of which BS/ BA:** 0

**3) Basic information on the entity undergoing privatization: Joint-stock company DVADESETPRVI MAJ, BEOGRAD**

**Auction Sale Code:** 100409-3300p

Official ID number of the Entity: **07012497**

Field of work: **Holding activities**

The entire estimated capital value to be privatized amounts to: **RSD 1.947.876.000 or \*EUR 20.525.870** which is **99,34 %** of the entire capital of the entity.

**Deposit** for participation in the auction: **RSD 155.830.000 or \*EUR 1.642.070**

**Initial price** at the auction sale: **RSD 311.660.000**

**Minimum obligatory investments** into the entity to be privatized amount to: **RSD 21.329.000**

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

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

1. Administrative building, Oslobođenja 1, Beograd (3839) 2. Annex 1, front annex of the production hall, Oslobođenja 1, Beograd (5580) 3. Annex 2, rear annex of the production hall, Oslobođenja 1, Beograd (6188) 4. Mechanical hall, Oslobođenja 1, Beograd (29412) 5. Hall in Bojnik (2198) 6. New hall in Mali Zvornik (1549)

**B) Main equipment:**

1) Office equipment 2) Office furniture 3) Equipment for production of motors and motor vehicles 4) Fork-lift truck 5) Truck (ZASTAVA 80) 6) Truck (TAM)

**C) Land (m<sup>2</sup>):** Entire land: (160395) ; construction land: (160395) (48652) – socially owned; (111743) – state owned;

Income statement per year:		2006		2007	
Shown in:	RSD		***EUR	RSD	***EUR
Total business revenues	0		0	3.000	38
Total business expenses	36.274.000		431.294	17.449.000	218.211

**Main products/ services:** 1) Production of motors for motor vehicles 2) Holding activities 3) Financial activities

**Total number of employees:** 553; of which BS/ BA: 35

#### 4) Basic information on the entity undergoing privatization: Socially-owned enterprise POLJOPRIVREDA, LESKOVAC

**Auction Sale Code:** 100409-3303p

Official ID number of the Entity: **07137435**

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

The entire estimated capital value to be privatized amounts to: **RSD 612.162.000 or \*EUR 6.450.701** which is **70 %** of the entire capital of the entity.

**Deposit** for participation in the auction: **RSD 30.608.000 or \*EUR 322.535**

**Initial price** at the auction sale: **RSD 61.216.000**

**Minimum obligatory investments** into the entity to be privatized amount to: **RSD 9.528.000**

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

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

1. Facilities Bratmilovce (administrative building, warehouses, garages, etc.) (5576) 2. Facilities Belanovce (administrative building, warehouses, corn boxes, etc.) (4757) 3. Facilities Turekovac – Pig farm (administrative building, breeding facilities, piglet facilities, etc.) (18874) 4. Facilities Turekovac (administrative building, agricultural machine buildings, corn boxes, etc.) (3647) 5. Facilities Grabovnica (administrative buildings, warehouses, sheds, etc.) (1780) 6. Facilities Janjuše (Administrative buildings, corn boxe, etc.) (793) 7. Facilities Leskovac (administrative buliding, warehouses, etc.) (2957)

##### B) Main equipment:

1) Passenger vehicle (Toyota) 2) Tractor (2) (Belarus) 3) Truck (5 komada) 4) Combine (4) 5) Office equipment

**C) Land (m<sup>2</sup>):** Entire land: (906041) ; agricultural land: (906041) – socially owned;

Income statement per year:		2006		2007	
Shown in:	RSD		***EUR	RSD	***EUR
Total business revenues	8.395.000		99.816	3.428.000	42.869
Total business expenses	52.276.000		621.556	31.050.000	388.300

**Main products/ services:** 1) Production of all types of grains 2) Production of seedlings 3) Production of cherries 4) Production of piglets 5) Pig and bullock fattening 6) Production of concentrate for animal feeding

**Total number of employees:** 22; of which BS/ BA: 0

#### 5) Basic information on the entity undergoing privatization: Socially-owned enterprise for production of garments, buttons and combs IRIS, PRIJEPOLJE

**Auction Sale Code:** 100409-3314p

Official ID number of the Entity: **07190255**

Field of work: **Production of clothes**

The entire estimated capital value to be privatized amounts to: **RSD 139.029.000 or \*EUR 1.465.028** which is **70 %** of the entire capital of the entity.

**Deposit** for participation in the auction: **RSD 11.122.000 or \*EUR 117.202**

**Initial price** at the auction sale: **RSD 22.245.000**

**Minimum obligatory investments** into the entity to be privatized amount to: **RSD 4.148.000**

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

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

1. Facilities IRIS-a – Prijepolje (5533) 2. Garments facility – Prijepolje (680) 3. Store – Brodarevo (160) 4. Garments facility – Brodarevo (1166) 5. Button facility – Brodarevo (913)

##### B) Main equipment:

1) Vacuum pump (M-COL) 2) Lift (500 kg) 3) Press (KO-5) 4) Cutting apparatus

**C) Land (m<sup>2</sup>):** Entire land: (795) ; construction land: (795) – state owned;

Income statement per year:		2006		2007	
Shown in:	RSD		***EUR	RSD	***EUR
Total business revenues	7.017.000		83.431	6.095.000	76.222
Total business expenses	68.891.000		819.107	59.559.000	744.823

**Main products/ services:** 1) Sewing and sale services

**Total number of employees:** 12; of which BS/ BA: 0

#### 6) Basic information on the entity undergoing privatization: Joint-stock company INDUSTRIJA OBUĆE BEOGRAD – in restructuring, BEOGRAD

**Auction Sale Code:** 100409-3315p

Official ID number of the Entity: **07031637**

Field of work: **Production of leather footwear**

The entire estimated capital value to be privatized amounts to: **RSD 2.544.969.000 or \*EUR 26.817.767** which is **97,87 %** of the entire capital of the entity.

**Deposit** for participation in the auction: **RSD 203.597.000 or \*EUR 2.145.421**

**Initial price** at the auction sale: **RSD 407.195.000**

**Minimum obligatory investments** into the entity to be privatized amount to: **RSD 101.650.000**

**The most important assets of the entity to be privatized \*\*****A) Buildings – main facilities (m²):**

1. Administrative building, Kumodraška 263, Beograd (631) 2. Production hall, Kumodraška 263, Beograd (2670) 3. Production hall 1, Aleksandra Dubčeka 14, Zemun – Beograd (2600) 4. Production hall 2, Aleksandra Dubčeka 14, Zemun – Beograd (2733) 5. Administrative building, Aleksandra Dubčeka 14, Zemun – Beograd (2625) 6. Sewing facility, Aleksandra Dubčeka 14, Zemun – Beograd (4433)

**B) Main equipment:**

1) Sole sprying machine (Desma) 2) Sole moulding machine – 3 (Lorencin) 3) Boot moulding machine (Otogali) 4) Shoemaker's machine (Marco Shoes) 5) Automobile (Honda Legend)

**C) Land (m²):** *Entire land: (54603) ; construction land: (54603) (16726) – socially owned; (37877) – state owned;*

**Income statement per year:**

Shown in:	2006		2007	
	RSD	***EUR	RSD	***EUR
Total business revenues	227.747.000	2.707.889	264.532.000	3.308.139
Total business expenses	399.354.000	4.748.279	386.054.000	4.827.848

**Main products/ services:** 1) Shoes for men and women 2) Women's boots 3) Men's slippers 4) Lease services

**Total number of employees:** 414; **of which BS/ BA:** 7