

# PUBLIC INVITATION FOR PARTICIPATION IN PUBLIC AUCTIONS

## Basic data on auction sale

Within the joint offer, Privatization Agency offers for sale 100,00% of the socially-owned of the privatization entity, which is 40,90% of the total capital, 100,00% of stake of the company GOŠA-HOLDING KORPORACIJA, SMEDEREVSKA PALANKA, which is 42,57% of the total capital of the privatization entity and 100,00% of stake of the DEVELOPMENT FUND RS, BELGRADE, which is 16,53% of the total capital of the privatization entity. Totally is offered for sale 100,00% of capital of the privatization entity, GOŠA-ZAJEDNIČKI POGONI, DOO za proizvodnju i snabdevanje parom i toplom vodom u restrukturiranju (Limited Liability Company for steam and hot water production and supply, in restructuring). Stakes of the members of the company are offered for sale according to the authorizations assigned to the Privatization Agency.

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, Terazije Street 23, 5<sup>th</sup> floor, from 09:00 to 16:30, in the period from 08.07.2009 until 02.09.2009.

**DEADLINE FOR SUBMISSION OF APPLICATIONS IS 03.09.2009, BY 16:30.**

Completed 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 110909, Privatization Agency, Belgrade, 23 Terazije St., 5<sup>th</sup> floor".

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: 11.09.2009,**

at the address: **Privatization Agency, Belgrade, Terazije Street 23, 2<sup>nd</sup> floor, Large hall**, at 11:00. Registration of the auction participants will be held at the same address on: **11.09.2009, from 09:00 to 10:50.**

**Means of payment for the part of the socially-owned capital which is offered for sale within the joint offer (40,90 %) can be in domestic currency, foreign convertible currency, state bonds based on the unpaid foreign currency savings of citizens, which are due not later than the date of the capital sale (11.09.2009), issued to the individuals, who are citizens of the Republic of Serbia. If a participant applies only for the second bidding, the means of payment can be even the state bonds based on the unpaid foreign currency savings of citizens, which are not due until the date of the capital sale (11.09.2009), issued to the individuals, who are citizens of the Republic of Serbia.**

**Means of payment for the stake of GOŠA-HOLDING KORPORACIJA, SMEDEREVSKA PALANKA (42,57%) in the total capital of the privatization entity can be SOLELY in domestic and foreign convertible currency, whereas a part of the sale and purchase price (selling price achieved at the auction) commensurate with the stake of the holding in the privatization entity is to be paid off AT ONCE, regardless of whether a participant has applied for the first or second bidding.**

**Means of payment for the stake of the Development Fund RS, BELGRADE (16,53%) in the total capital of the privatization entity can be SOLELY in domestic and foreign convertible currency, whereas a part of the sale and purchase price (selling price achieved at the auction) commensurate with the stake of the Development Fund RS in the privatization entity is to be paid off AT ONCE, regardless of whether a participant has applied for the first or second bidding.**

In case the first class bank guarantee has been submitted as means of deposit payment, it is 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 date.

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 about such changes, if any, until the auction date at the latest.

The site visit can be carried out after signing of the Confidentiality Agreement in the period from 08.07.2009 until 02.09.2009.

\* The total estimated capital value to be privatized, stated in EUR, was calculated according to the official exchange rate on the preparation date of the Public invitation.

\*\* The data on real estate of the privatization entity from this Public invitation are solely for the purpose of giving information, while the data on legal grounds, ownership type and right to them are presented in the auction documents.

\*\*\* The total operating income and expense data, stated in EUR, were calculated according to the average annual real exchange rates.

## Brief description of the PUBLIC AUCTION procedure

Sale of capital by the 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: GOŠA-ZAJEDNIČKI POGONI, DOO za proizvodnju i snabdevanje parom i toplom vodom u restrukturiranju, SMEDEREVSKA PALANKA

**Auction sale code: 110909-3336p**

Official ID number of the entity: **07264542**

Field of work: **Hot water and steam production and supply**

The entire estimated capital value to be privatized amounts to: **RSD 305.091.000** or **\*EUR 3.267.007**, which is **100 %** of the total business entity capital.

**Deposit** for participation in the auction: **RSD 76.273.000** or **\*EUR 816.752**

**Initial price** at the auction sale: **RSD 152.546.000**

**Minimal obligatory investments** into the privatization entity amount to: **RSD 5.911.000**

#### Main assets of the privatization entity \*\*

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

1. Building of the new boiler room (960) 2. Compressor station (860) 3. Building (150)  
4. Cooling tower (115)

##### B) Main equipment:

1) Boiler plant 2) Centrifugal pump 3) Ion filter 4) Pump with the engine 5) Combined water meter 6) Paint softening device (3 pieces)

**C) Land (m<sup>2</sup>):** *Entire land: (6546); Construction land: (6546) – state-owned;*

Balance sheet per year:	2007		2008	
	RSD	***EUR	RSD	***EUR
Shown in:				
Total operating revenues	77.964.000	974.989	72.905.000	894.902
Total operating expenses	96.391.000	1.205.430	91.459.000	1.122.651

**Main products/services:** 1) Production and distribution of water vapour

**Total number of employees:** 136; **of which BSC/BA:** 7