

PUBLIC ANNOUNCEMENT for participation in the Public Auction

Basic Data on Auction Sale

The price for the auction documentation for each enterprise is CSD 30.000, which should be paid after receiving invoice from the Privatization Agency. Purchase of auction documentation is obligatory, and at the time of purchase, the Confidentiality Agreement is also signed. After presenting evidence of payment, the auction documentation can be collected at the following address: Bulevar Mihajla Pupina 10, 5th floor, Novi Sad, from 9:00 to 17:00 hours, starting 12. 07. 2004. until 26. 08. 2004.

DEADLINE FOR SUBMITTING OF APPLICATIONS IS 27. 08.2004. at 17.00

Completed application forms for participation in the auction, which are included in the auction documentation, together with signed draft sale and purchase agreement and evidence of payment of the deposit are submitted in envelope clearly marked on the outside: " APPLICATION FOR PARTICIPATION ON PUBLIC AUCTION 060904" Bulevar Mihajla Pupina 10, 5th floor, Novi Sad

APPLICATIONS THAT SHOW THE NAME OF THE COMPANY TO BE PRIVATIZED OR THE FULL AUCTION SALE CODE ON THE OUTSIDE OF THE ENVELOPE MAY BE REJECTED.

THE AUCTION WILL TAKE PLACE ON 06.09.2004.

at the following address: Novi Sad, Business center Vojvodina - SPENS at 11:00 hours. Registration of the participants will take place at the same place on 06. 09. 2004, from 09:00 to 10:50 hours.

Means of payment can be domestic currency, foreign convertible currency, bonds issued to individuals who are the citizens of the Republic of Serbia, against unpaid household foreign exchange savings with maturity not longer than capital sale day (06.09.2004). If a participant applies only for second auction payment can be made with bonds issued to individuals who are

the citizens of the Republic of Serbia, against unpaid household foreign exchange savings regardless of maturity date.

If first class bank guarantee is used for a payment of the deposit, it has to be payable within 48 hours after pronouncing the buyer at the auction.

Deposit for participation at the public auction will be returned 15 days after the auction.

The Agency holds the right to change the auction or deadline date for applications if need occurs and informs interested parties.

Site visits may be arranged with the Privatization Agency after signing the Confidentiality Agreement, in the period starting 12. 07. 2004. until 26. 08. 2004, at the schedule previously arranged by The Privatization Agency, phone number: + 381 (21) 452-959; Fax: +381 (21) 452-967.

* Total estimated value of capital being privatized and expressed in EURO has been calculated using the official exchange rate as at 09.07.2004.

** Total operating revenues and expenditures expressed in EURO have been calculated using the annual average real exchange rate.

Short description of the PUBLIC AUCTION PROCEDURE

Sale of capital by Public Auction is performed by the Auction commission formed by the Privatization Agency. Commission performs supervision of the Auction, registration of the participants, declaring of the unsuccessful auction, signing of the auction minutes, together with other activities concerning the auction in accordance with the law. Conditions for starting of public auction are fulfilled if at least one person has acquired the status of participant and if this person or his/hers duly authorized representative are present. The Auctioneer will open the first auction at the time set for its opening where means of payment can be cash and matured foreign exchange household saving bonds. If on the first auction more than one bidder participates, the auctioneer announces the starting price and each following

increase. If after third invitation for acceptance of new announced price no bidder raise his/her hand, the auctioneer announces the end of the auction with the hit of the hammer. The sale price will be the highest offered price and the winner will be the bidder who accepted it. If after the third announcement of the starting price no interest is shown, auctioneer declares first auction unsuccessful with the hit of the hammer and starts second bidding where means of payment can be in foreign exchange household savings bonds of any maturity. Participants will be bidders applied for the second auction and from the previous auction if it was unsuccessful. If on the second auction participates more than one bidder, the auctioneer announces starting price and each following increase.

If after third announcement no interest is shown, auctioneer announces the end of the auction with the hit of the hammer. The sale price will be the highest offered price and winner will be the bidder who accepted it. If after the third announcement for acceptance of the new starting price there were no interested bidders, the auction is declared unsuccessful and participant forfeit their deposits. When on the second auction only one bidder participates, he is invited to accept starting price for three times. If he accepts starting price he is declared a buyer where starting price is sale price. If he refuses the starting price, the auction is declared unsuccessful and he forfeits his deposit.

1) Basic Data on Enterprise to be Privatized: Socially Owned Car Transporting Company NOVOTRANS, NOVI SAD

Auction Sale Code: <u>060904-1130p</u>		Total estimated value of the capital for sale: 128.183.000 CSD or 1.774.027* EURO which represents 70 % of the total capital of the enterprise.			
ID Number: 08172048		Deposit for participation in the auction is: 10.255.000 CSD or 141.922 * EURO			
Core Activity: Transportation of goods in road traffic		Starting auction price is 20.509.000 CSD			
Most important assets		Minimum investment in enterprise to be privatized: 29.585.000 CSD			
A) Buildings - major objects (M ²):		B) Equipment: 1) Transportation vehicles (5 pcs) (IVECO MP440E42T/P) 2) Semi-trailer (7 pcs) (Smitz) 3) Freight vehicle- trailer truck (5 pcs) (IVECO)			
C) Land (M ²):					
Income statement for:		Year 2002.		Year 2003.	
Shown in:	CSD	**EURO	CSD	** EURO	
Total operating revenues	120.680.000	1.999.503	68.713.000	1.056.197	
Total operating expenditures	131.147.000	2.172.927	107.074.000	1.645.849	
Most important products/services: 1) Transporting of goods 2) Reload of freight 3) Warehouses and storages 4) Road traffic services 5) International transportation of goods in road traffic					
Total number of employees: 180; of which with university degree: 7					

2) Basic Data on Enterprise to be Privatized: Agricultural Socially Owned Company KINDJA, KIKINDA

Auction Sale Code: <u>060904-1164</u>		Total estimated value of the capital for sale: 440.139.000 CSD or 6.091.431 * EURO which represents 70 % of the total capital of the enterprise.			
ID Number: 08021945		Deposit for participation in the auction is: 52.817.000 CSD or 730.972 * EURO			
Core Activity: Cultivation of wheat , other crops and plants		Starting auction price is: 105.633.000 CSD			
Most important assets		Minimum investment in enterprise to be privatized: 68.998.000 CSD			
A) Buildings - major objects (M ²): 1. Management building (250) 2. Workshop (1090) 3. Calves stable (1696) 4. Livestock stable (2) (810) 5. Pig feedlot (850) 6. Warehouse (2106) 7. Calves stable (1696)		B) Equipment: 1) "Ranger"- two-sided 2) Combines (2) (CASE 2388) 3) Feedlot equipment 4) Tractor (MT3 82) 5) Turnip combine 6) Sprinkler (VP 2200) 7) Tractors (J. Deer 8430, 4440) 8) Rotation plow (Euromat) 9) Pig-farm equipment			
C) Land (M ²): <i>Farm land: 19862884 (socially owned 9693250)</i>					
Income statement for:		Year 2002.		Year 2003.	
Shown in:	CSD	**EURO	CSD	** EURO	
Total operating revenues	155.992.000	2.584.575	85.171.000	1.309.175	
Total operating expenditures	192.212.000	3.184.691	144.120.000	2.215.288	
Most important products/services 1) Wheat 2) Corn 3) Barley 4) Oats 5) Sugar beet 6) Sunflower 7) Soy 8) Alfalfa 9) Green peas 10) Apples					
Total number of employees: 110; of which with university degree: 9					

3) Basic Data on Enterprise to be Privatized: Socially owned Company CIGLANA unlimited , SENTA

Auction Sale Code: <u>050704-0997n</u>		Total estimated value of the capital for sale: 51.263.000 CSD or 709.466 ** EURO which represents 70 % of the total capital of the enterprise.			
ID Number: 08008418		Deposit for participation in the auction is: 6.152.000 CSD or 85.136 *EURO			
Core Activity: Production of ceramic insulators and equipment		Starting auction price is: 12.303.000 CSD			
Most important assets		Minimum investment in enterprise to be privatized: 383.000 CSD			
A) Buildings - major objects (M ²): 1. Machine workshop (360) 2. Management building (144) 3. Artificial drier - 2 pcs (916) 4. Round furnace (3248) 5. Natural drier - 16 pcs (3456) 6. Offices (35)		B) Equipment: 1) Grinder (Bosch 115 UF-221/s) 2) Mouthpiece for fert block (14UF0028/S-02) 3) Mouthpiece for chimney block (FUR40/S-03-01-01) 4) Mouthpiece for block 25*18*1 (UF0028/S-02) 5) Mouthpiece for triple channel (UR40/S-03-01) 6) Energy cable (PPO0 4*35 UF-135C) 7) Mouthpiece for block 25*25*1 (UR40/C-03-01) 8) Suzuki Swift (UF 0157*01) 9) Office furniture			
C) Land (M ²): <i>construction land: (75597)</i>					
Income statement for:		Year 2002.		Year 2003.	
Shown in:	CSD	**EURO	CSD	** EURO	
Total operating revenues	11.271.000	186.745	4.251.000	65.343	
Total operating expenditures	10.927.000	181.045	5.385.000	82.774	

Most important products/services: 1) Brick products
 Total number of employees: 8; of which with university degree: 2

4) Basic Data on Enterprise to be Privatized: Socially Owned Company DIMNICAR, SREMSKA MITROVICA

Auction Sale Code: 060904-1166

ID Number: 08039305

Core Activity: Cleaning

Most important assets

A) Buildings - major objects (M²):

1. Management building, Marsala Tita Street 11 (80)

Total estimated value of the capital for sale: 1.488.000 CSD 20.593 * EURO which represents 70% of the total capital of the enterprise.

Deposit for participation in the auction is: 179.000 CSD or 2.471 * EURO

Starting auction price is: 357.000 CSD

Minimum investment in enterprise to be privatized: 7.000 CSD

B) Equipment:

1) Van (Zastava 850AK) 2) Machine for boiler cleaning (Electra) 3) Sprinkler (M 10) 4) Van (IMV)

C) Land (M²):

Income statement for:	Year 2002.		Year 2003.		
	Shown in:	CSD	**EURO	CSD	** EURO
Total operating revenues		1.098.000	18.192	1.463.000	22.488
Total operating expenditures		1.128.000	18.689	1.627.000	25.009

Most important products/services: 1) Chimney cleaning 2) Boiler cleaning 3) Chimney control 4) Issuing certificate for chimneys and gas instalations

Total number of employees: 11; of which with university degree: 0

5) Basic Data on Enterprise to be Privatized: Socially Owned Confection Company KLUZ-TISA, NOVI BECEJ

Auction Sale Code: 060904-1173p

ID Number: 17195590

Core Activity: Other garment production

Most important assets

A) Buildings - major objects (M²):

1. Production hall, Kumanacki put BB (3900) 2. Restaurant and warehouse, Kumanacki put BB (790) 3. Garage and workshops, Kumanacki put BB (127) 4. Boiler room (123) 5. Office, Marsala Tita 2 (118)

Total estimated value of the capital for sale: 20.159.000 CSD or 278.999 * EURO which represents 70% of the total capital of the enterprise.

Deposit for participation in the auction is: 1.613.000 CSD or 22.320 * EURO

Starting auction price is: 3.225.000 CSD

Minimum investment in enterprise to be privatized: 4.185.000 CSD

B) Equipment:

1) Tailoring (Eastman) 2) Sewing (Pfaff) 3) Finishing (Hofman)

C) Land (M²):

Income statement for:	Year 2002.		Year 2003.		
	Shown in:	CSD	**EURO	CSD	** EURO
Total operating revenues		79.123.000	1.310.960	54.313.000	834.853
Total operating expenditures		77.288.000	1.280.557	72.302.000	1.111.364

Most important products/services: 1) Production of heavy clothes (coats, overcoats) 2) Suits and costumes, other garment 3) Textile retail and gross sale

Total number of employees: 564; of which with university degree: 0

6) Basic Data on Enterprise to be Privatized: Socially Owned Confection Company KLUZ- PLITVICE, VRSAČ

Auction Sale Code: 060904-1174p

ID Number: 17195573

Core Activity: Other garment production

Most important assets

A) Buildings - major objects (M²):

1. Old production hall, Beogradski put BB (3756) 2. New production hall, Beogradski put BB (1765) 3. Restaurant and warehouse, Beogradski put BB (1305) 4. Boiler room (123) 5. Measuring instruments storage (136)

Total estimated value of the capital for sale: 67.365.000 CSD or 932.323 * EURO which represents 70 % of the total capital of the enterprise.

Deposit for participation in the auction is: 5.389.000 CSD or 74.586 * EURO

Starting auction price is: 10.778.000 CSD

Minimum investment in enterprise to be privatized: 2.204.000 CSD

B) Equipment:

1) Tailoring (Eastman) 2) Sewing (Pfaff, Bonis) 3) Finishing (Test)

C) Land (M²):

Income statement for:	Year 2002.		Year 2003.	
	Shown in:	CSD	**EURO	CSD

Total operating revenues	96.496.000	1.598.807	8.354.000	128.410
Total operating expenditures	98.958.000	1.639.599	25.219.000	387.645

Most important products/services: 1) Production of heavy clothes (coats, overcoats) 2) Suits and costumes, other garment 3) Textile retail and gross sale

Total number of employees: 496; of which with university degree: 1

7) Basic Data on Enterprise to be Privatized: Socially Owned Company 5. OKTOBAR, SRPSKA CRNJA

Auction Sale Code: 060904-1176p

ID Number: 08072566

Core Activity: Production of bricks and roof tiles from clay

Total estimated value of the capital for sale: 18.100.000 CSD or 250.500 * EURO which represents 70 % of the total capital of the enterprise.

Deposit for participation in the auction is: 1.810.000 CSD or 25.050 * EURO

Starting auction price is: 3.620.000 CSD

Minimum investment in enterprise to be privatized: 2.436.000 CSD

Most important assets

A) Buildings - major objects (M²):

1. Management building (right of use) (88) 2. Dining hall with kitchen (right of use) (98)
3. Production hall with dryer (right of use) (1320) 4. Mill hall (right of use) (126)

B) Equipment:

1) Dredge (BK-4) 2) Fine mill (1000x) 3) Water pump 4) Lath machine 5) Tractor (TG-75 c/r)

C) Land (M²):

Income statement for:	Year 2002.		Year 2003.	
Shown in:	CSD	**EURO	CSD	** EURO
Total operating revenues	1.847.000	30.602	1.893.000	29.098
Total operating expenditures	2.020.000	33.469	1.731.000	26.607

Most important products/services: 1) Bricks 2) Blocks 3) Monta 4) Fert fillers 5) Separation block

Total number of employees: 28; of which with university degree: 0

8) Basic Data on Enterprise to be Privatized: Socially Owned Company for production of footwear DIANA, SREMSKA MITROVICA

Auction Sale Code: 060904-1181p

ID Number: 08039291

Core Activity: Production of leather footwear

Total estimated value of the capital for sale: 43.187.000 CSD or 597.694 * EURO which represents 70 % of the total capital of the enterprise.

Deposit for participation in the auction is: 3.455.000 CSD or 47.816 * EURO

Starting auction price is: 6.910.000 CSD

Minimum investment in enterprise to be privatized: 7.549.000 CSD

Most important assets

A) Buildings - major objects (M²):

1. Production hall, Sutjeska street, No. 71 (1808) 2. Warehouse for raw material and finished goods, Sutjeska street, No. 71 (1682) 3. Ground floor building, Fruskogorska street No. 3 (415) 4. One story high building Fruskogorska street No.3 (168) 5. Annexed production hall, Sutjeska street, No. 71 (230)

B) Equipment:

1) Workshop drill (RB40) 2) Hydraulic press (UTVA 200 t) 3) Piston Compressor 4) Plasma (Prof 152) 5) Hot water boiler
6) Sheers for cutting sheet metal (MG 13) 7) Gas welding machine (LIRA)

C) Land (M²): *Construction land: (18792000)*

Income statement for:	Year 2002.		Year 2003.	
Shown in:	CSD	**EURO	CSD	** EURO
Total operating revenues	34.990.000	579.737	17.918.000	275.420
Total operating expenditures	52.792.000	874.691	33.429.000	513.842

Most important products/services: 1) Man's footwear 2) Ladies' footwear 3) Children footwear 4) Fashion footwear, 5) Protective footwear

Total number of employees: 203; of which with university degree: 2