

23 Terazije St., 11000 Belgrade, Serbia and Montenegro,
phone: 011/3020-804, 011/3020-803; fax: 011/3020-881

PUBLIC INVITATION FOR PARTICIPATION IN PUBLIC AUCTIONS

Basic data on Auction sale

Those who are interested can purchase the auction documents at the price of: **CSD 40.000**, after the receipt of invoice from the Privatization Agency. VAT is not calculated in the price. The 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 may be collected at the following address:

Privatization Agency, Belgrade, 23 Terazije St, from 09:00 – 17:00, on weekdays in period from 28.07.2006 until 22.08.2006.

CLOSING DATE FOR THE APPLICATION SUBMISSION is 23.08.2006, until 17:00.

Filled application, which is a part of the auction documents, with the signed draft of the Sales-Purchase Agreement and the deposit payment evidence, is to be submitted in a sealed envelope with the inscription: "THE APPLICATION FOR PARTICIPATION IN PUBLIC AUCTION 310806, Privatization Agency, Belgrade, 23 Terazije St".

IF THERE IS NAME OF THE SUBJECT UNDERGOING PRIVATIZATION ON THE ENVELOPE, OR FULL AUCTION CODE, THE APPLICATION MAY BE REJECTED.

THE AUCTION SHALL BE HELD ON 31.08.2006.

at the address: **Privatization Agency**, Belgrade, 23 Terazije St, **2nd floor, Large Hall at 11:00**. Registration of the auction participants shall be held at the same address on:

31.08.2006, from 09:00 – 10:50.

Means of payment can be in domestic currency, foreign convertible currency, state bonds based upon the unpaid foreign currency savings of citizens, which are due not later than the date of the capital sale (31.08.2006), issued to the natural persons, who are citizens of the Republic of Serbia. If the participant applies only for the second bidding, means of payment may be even the state bonds based upon the unpaid foreign currency savings of citizens, which are not to be due until the date of the capital sale (31.08.2006), issued to the natural persons, 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 become due within 48 hours after the declaration a buyer.

Deposit for participation is to be brought back 15 days after the public auction has been held.

The Privatization Agency keeps the right to change the auction date, as well as the closing date for the application submission if necessary, but also to inform the interested parties on those changes, if any, until the auction date at the latest.

The site visit shall be carried out after the signing the Agreement on Confidentiality in period from 28.07.2006 until 22.08.2006, after previously the timetable with the Privatization Agency has been established, phone: 011/3020-804; 011/3020-803 or by fax: 011/3020-881.

* *The entire estimated capital value to be privatized, stated in EUR, was calculated according to the official exchange rate on 28.07.2006.*

** *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

Sale of capital by the public auction method is carried out by the Auction Commission, which is to be established by the Privatization Agency. The Commission supervises the capital sale by the auction, registers the auction participants, pronounces the auction for unsuccessful, signs the minutes and performs other activities of importance for the auction performance in accordance with the Law. The conditions for the auction to be carried out are met, if at least one person has obtained the status of the 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, on which occasion 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 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 immediately afterwards opens the second bidding, on which occasion even undue state bonds can be the means of payment. Those who have applied for the second bidding can participate in, as well as the participants in the first bidding, in case it has been declared unsuccessful. If in the second bidding participate more than one person, 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 parties even after the third call, the auction is declared unsuccessful, and the participants lose the right to be brought back 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 at the same time the selling price. If the participant does not accept the initial price, the auction is declared unsuccessful, and she/he loses the right to be brought back the deposit.

1) Basic information on the subject undergoing privatization: Prerdužeće za proizvodnju termičkih aparata i uređaja ELIND – TEUR, VALJEVO

Auction Sale Code:	310806-0410	The entire estimated capital value to be privatized amounts to: CSD 86.763.000 or *EUR 1.043.580 , representing 70 % of the total subject capital.	
Official ID number of the Subject:	07252749	Deposit for auction participation: CSD 8.676.000 or *EUR 104.358	
Field of work:	Production of electrical home appliances	Initial auction sale price: CSD 17.353.000	
The most important property of the subject undergoing privatization		Minimum of obligatory investments into the subject undergoing privatization amounts to: CSD 79.209.000	
A) Buildings – main facilities (m²): 1. Plant I for storage heaters (3000) 2. Plant (1440) 3. Warehouse for finished products (1260) 4. Plant II (1680) 5. Production plant within building (1180) 6. Office space (836)		B) The most important equipment: 1) Dye-house line and plasticizing (Gema and Cer) 2) Press room (presses from 5t to 250t) 3) Tool shop 4) Galvanic protection line (Fadip Bečej) 5) Enamel-room line	
C) Land (m²): <i>Construction land: (39047) – owned by state</i>			
Balance sheet per year:		2004	2005
Shown in:	CSD	**EUR	CSD
Total business revenues	40.486.000	554.588	16.018.000
Total business expenses	59.605.000	816.484	47.571.000
Main products/ services: 1) Storage heaters 2) Quartz programme 3) Heaters 4) Brake shoes 5) Rail heating 6) Stoves			
Total number of employees: 140; of which BS/ BA: 8			

2) Basic information on the subject undergoing privatization: Društveno preduzeće MLADOST industrija konfekcije, POŽEGA

Auction Sale Code:	310806-0877p	The entire estimated capital value to be privatized amounts to: CSD 79.884.000 or *EUR 960.842 , representing 70 % of the total subject capital.	
Official ID number of the Subject:	07190573	Deposit for auction participation: CSD 3.994.000 or *EUR 48.042	
Field of work:	Manufacture of underwear	Initial auction sale price: CSD 7.988.000	
The most important property of the subject undergoing privatization		Minimum of obligatory investments into the subject undergoing privatization amounts to: CSD 9.378.000	
A) Buildings – main facilities (m²): 1. Works, dressmaker's room (6842) 2. Technical preparation facility (934) 3. Works, Roge (544) 4. Warehouse for packing&wrapping material (628) 5. Restaurant (315)		B) The most important equipment: 1) Seam machines 2) Sewing machines 3) Electrical steam irons with tables 4) Steam boiler 5) Passenger vehicle (Laguna Concorde 1.8)	
C) Land (m²): <i>Construction land: (32968 ((1126) – socially-owned; (31842) – owned by state)</i>			
Balance sheet per year:		2004	2005
Shown in:	CSD	**EUR	CSD
Total business revenues	38.211.000	523.424	35.721.000
Total business expenses	63.694.000	872.497	64.187.000
Main products/ services: 1) Men's shirts 2) Women's blouses 3) Men's and ladies' underwear 4) Women's dresses			
Total number of employees: 239; of which BS/ BA: 4			

3) Basic information on the subject undergoing privatization: Društveno preduzeće za grafičku delatnost GRAFOS, ALEKSANDROVAC

Auction Sale Code:	310806-1534p	The entire estimated capital value to be privatized amounts to: CSD 42.417.000 or *EUR 510.184 , representing 70,00 % of the total subject capital.	
ID Number of the Subject:	07193033	Deposit for auction participation: CSD 3.393.000 or *EUR 40.815	
Field of work:	Printing	Initial auction sale price: CSD 6.787.000	
The most important property of the subject undergoing privatization		Minimum of obligatory investments into the subject undergoing privatization amounts to: CSD 438.000	
A) Buildings – the most important facilities (m²): 1. Works (1545) 2. Porter's lodge (10)		B) The most important equipment: 1) Passenger vehicle (Lada 111) 2) Passenger vehicle (Opel Askona) 3) Boiler room-steam boiler 4) Automatic device (PSA-3) 5) Typesetting machine (Linotip-N140) 6) Cutting knife (Maxima) 7) PC	
C) Land (m²): <i>Construction land: (13527) – socially-owned</i>			
Balance sheet per year:		2003	2004
Shown in:	CSD	**EUR	CSD
Total business revenues	1.632.000	25.086	223.000
Total business expenses	11.881.000	182.624	9.772.000
Total number of employees: 13; of which BS/ BA: 4			

Main products/ services: 1) Note and writing goods 2) Other kinds of forms

Total number of employees: 53; of which BS/ BA: 1

4) Basic information on the subject undergoing privatization: Akcionarsko društvo izdavačko preduzeće VUK KARADŽIĆ, PARAĆIN

Auction Sale Code: **310806-1656p**

Official ID Number of the Subject: **07115610**

Field of work: **Publishing of books and brochures**

The entire estimated capital value to be privatized amounts to: **CSD 36.935.000** or ***EUR 444.248**, representing **67,641 %** of the total subject capital.

Deposit for auction participation: **CSD 1.847.000** or ***EUR 22.212**

Initial auction sale price: **CSD 3.693.000**

Minimum of obligatory investments into the subject undergoing privatization amounts to: **CSD 5.985.000**

The most important property of the subject undergoing privatization

A) Buildings – main facilities (m²):

1. Administration building (1545) 2. Warehouse – "Žuta zgrada" (637) 3. Assembly hall (book-binding room) (588) 4. Hangar «Soko» (234)

B) The most important equipment:

1) Planet machine (Poligraf) 2) Gluing device (Poligraf) 3) Gluing device with attachment (Milano) 4) Roland (Rekord) 5) Knife (2 items, Perfekta) 6) Press (Iberika)

C) Land (m²): *Construction land: (3336) – in state ownership*

Balance sheet per year:		2004		2005	
Shown in:	CSD	**EUR		CSD	**EUR
Total business revenues	525.000	7.192		279.000	3.365
Total business expenses	7.360.000	100.819		7.440.000	89.739

Main products/ services: 1) Sale of books 2) Sale of notebooks 3) Box gluing 4) Printing of forms 5) Printing of books

Total number of employees: 18; of which BS/ BA: 2

5) Basic information on the subject undergoing privatization: KADINJAČA akcionarsko društvo za proizvodnju i promet, BAJINA BAŠTA

Auction Sale Code: **310806-1717**

Official ID Number of the Subject: **07216696**

Field of work: **Building materials wholesale**

The entire estimated capital value to be privatized amounts to: **CSD 49.354.000** or ***EUR 593.631**, representing **61,376 %** of the total subject capital.

Deposit for auction participation: **CSD 4.935.000** or ***EUR 59.363**

Initial auction sale price: **CSD 9.871.000**

Minimum of obligatory investments into the subject undergoing privatization amounts to: **CSD 2.052.000**

The most important property of the subject undergoing privatization

A) Buildings – main facilities (m²):

1. Office building (273) 2. Office building (239) 3. Warehouse shed (386) 4. Office building – user (61) 5. Roof overhang – user (600)

B) The most important equipment:

1) Goods vehicle (Fap) 2) Passenger vehicle (Audi) 3) Passenger vehicle (Škoda) 4) Boiler 5) Twin-shaft trailer (Utva) 6) Twin-shaft trailer (Kamaz)

C) land (m²): *Construction land: (19679) – in state ownership*

Balance sheet per year:		2004		2005	
Shown in:	CSD	**EUR		CSD	**EUR
Total business revenues	39.847.000	545.834		40.825.000	492.419
Total business expenses	42.911.000	587.806		46.865.000	565.272

Main products/ services: 1) Wholesale of building materials

Total number of employees: 33; of which BS/ BA: 2

6) Basic information on the subject undergoing privatization: Preduzeće za promet kožom i vunom KOŽA DP, KRAGUJEVAC

Auction Sale Code: **310806-1718**

Official ID Number of the Subject: **07166281**

Field of work: **Leather wholesale**

The entire estimated capital value to be privatized amounts to: **CSD 13.058.000** or ***EUR 157.055**, representing **70 %** of the total subject capital.

Deposit for auction participation: **CSD 1.306.000** or ***EUR 15.706**

Initial auction sale price: **CSD 2.612.000**

Minimum of obligatory investments into the subject undergoing privatization amounts to: **CSD 531.000**

The most important property of the subject undergoing privatization

A) Buildings – main facilities (m²):

1. Warehouse (584) 2. Warehouse (366) 3. Warehouse (99) 4. Secondary warehouse for salt – user (30) 5. Warehouse for forklift truck – user (20)

B) The most important equipment:

1) Scales-2 t (made of metal) 2) Passenger vehicle (Lada karavan) 3) Electrical press for packing into bales (Kostroj) 4) Welding device 5) Water tank

C) Land (m²): *Construction land: (7231) – socially-owned*

Balance sheet per year:		2004		2005	
Shown in:	CSD	**EUR		CSD	**EUR
Total business revenues	531.000	7.274		221.000	2.666
Total business expenses	2.295.000	31.437		1.903.000	22.953

Main products/ services: 1) Leather trade
Total number of employees: 13; of which BS/ BA: 0

7) Basic information on the subject undergoing privatization: Proizvodno-prometno društveno preduzeće KOŽA-CO, KRAGUJEVAC

Auction Sale Code: 310806-1719
Official ID Number of the Subject: **17185560**
Field of work: **Tanning and final processing of hides**

The entire estimated capital value to be privatized amounts to: **CSD 43.066.000** or ***EUR 517.991**, representing **70 %** of the total subject capital.
Deposit for auction participation: **CSD 4.307.000** or ***EUR 51.799**
Initial auction sale price: **CSD 8.613.000**
Minimum of obligatory investments into the subject undergoing privatization amounts to: **CSD 20.785.000**

The most important property of the subject undergoing privatization

A) Buildings – main facilities (m²):
1. Warehouse, 83 Đure Đakovića Str, Kragujevac (3225) 2. Office building – user (933)

B) The most important equipment:
1) Passenger vehicle (Opel omega) 2) Cash register (Comtrade) 3) Fax machine (Panasonic) 4) Office furniture

C) Land (m²): *Construction land: (3969) – owned by state*

Balance sheet per year:		2004		2005	
Shown in:		CSD	**EUR	CSD	**EUR
Total business revenues	7.549.000		103.408	4.876.000	58.813
Total business expenses	10.459.000		143.270	7.502.000	90.487

Main products/ services: 1) Unprocessed hides
Total number of employees: 23; of which BS/ BA: 1

8) Basic information on the subject undergoing privatization: Društveno preduzeće za proizvodnju, promet i usluge KRZNARA, PIROT

Auction Sale Code: 310806-1720
Official ID Number of the Subject: **17393669**
Field of work: **Manufacture of furs**

The entire estimated capital value to be privatized amounts to: **CSD 33.549.000** or ***EUR 403.529**, representing **70 %** of the total subject capital.
Deposit for auction participation: **CSD 3.355.000** or ***EUR 40.353**
Initial auction sale price: **CSD 6.710.000**
Minimum of obligatory investments into the subject undergoing privatization amounts to: **CSD 1.730.000**

The most important property of the subject undergoing privatization

A) Buildings – main facilities (m²):
1. Administration building (497) 2. Final processing department-holder (220) 3. Drying-room-holder (308) 4. Auxiliary building-holder (136) 5. Tanning department-holder (610)

B) The most important equipment:
1) Machine «Kostoj» 2) Leiter (Budućnost) 3) Electric calorifier (Elektrotehna) 4) Ventilating heading (Budućnost) 5) Thermostatic valve (Elektrotehna)

C) Land (m²): *Construction land: (4293) – owned by state*

Balance sheet per year:		2004		2005	
Shown in:		CSD	**EUR	CSD	**EUR
Total business revenues	8.940.000		122.462	11.870.000	143.172
Total business expenses	14.410.000		197.392	17.172.000	207.124

Main products/ services: 1) Chrome natur fur 2) Painted fur 3) Fur nutriet 4) Nutriet collars 5) Fur coat lining
Total number of employees: 22; of which BS/ BA: 1

9) Basic information on the subject undergoing privatization: Akcionarsko društvo MINEL RASTAVLJAČI, NOVI PAZAR

Auction Sale Code: 310806-1721
Official ID Number of the Subject: **07194366**
Field of work: **Production of installations for electric current distribution**

The entire estimated capital value to be privatized amounts to: **CSD 177.144.000** or ***EUR 2.130.676**, representing **67,494 %** of the total subject capital.
Deposit for auction participation: **CSD 21.257.000** or ***EUR 255.681**
Initial auction sale price: **CSD 42.515.000**
Minimum of obligatory investments into the subject undergoing privatization amounts to: **CSD 2.231.000**

The most important property of the subject undergoing privatization

A) Buildings – main facilities (m²):
1. New hall (with compressor center) (1749) 2. Warehouse for semi-products (546) 3. Old hall (with boiler-room and wash-stand) (1736) 4. Administration building (284)

B) The most important equipment:
1) Electroplating baths (33 items) 2) Ventilation system for electroplating 3) Hydraulic shears (HST-6.35X) 4) Electric crane 5) Automatic devices for nickel line 6) Universal lathe (PA 50 1 M/1500 MM) 7) Passenger vehicle (Opel omega)

C) Land (m²): *Construction land: (22915) – owned by state*

Balance sheet per year:		2004		2005	
Shown in:		CSD	**EUR	CSD	**EUR
Total business revenues	82.411.000		1.128.887	72.661.000	876.416
Total business expenses	106.905.000		1.464.412	104.893.000	1.265.189

Main products/ services: 1) Electrical devices and units 2) Scraping 3) Milling 4) Drilling 5) Sawing of steel elements and their electroplating protection

Total number of employees: 104; **of which BS/ BA:** 13

10) Basic information on the subject undergoing privatization: Poljoprivredno društveno preduzeće JAVOR, KUŠIĆI

Auction Sale Code: 310806-1723

Official ID Number of the Subject: **07210043**

Field of work: **Other agricultural services**

The entire estimated capital value to be privatized amounts to: **CSD 117.981.000** or ***EUR 1.419.065**, representing **70 %** of the total subject capital.

Deposit for auction participation: **CSD 14.158.000** or ***EUR 170.288**

Initial auction sale price: **CSD 28.315.000**

Minimum of obligatory investments into the subject undergoing privatization amounts to: **CSD 2.148.000**

The most important property of the subject undergoing privatization

A) Buildings – main facilities (m²):

1. Hotel "Javor" – Kušići (2643) 2. Potato warehouse (2104) 3. New office building (111)

B) The most important equipment:

1) Tractor (IMT560) 2) Tractor (IMT539) 3) Hay press 4) Generator 5) Truck (FAP) 6) Automatic planting machine

C) Land capacities (m²): *Construction land: (15659) – owned by state; Other land: (11721) – socially-owned; Agricultural land: (4476604) ((2256845) – owned by state; (2219759) – socially-owned)*

Balance sheet per year:

Shown in:	2004		2005	
	CSD	**EUR	CSD	**EUR
Total business revenues	19.645.000	269.102	13.355.000	161.084
Total business expenses	24.441.000	334.799	27.337.000	329.731

Main products/ services: 1) Seed potato "O" 2) Seed potato "ISR" 3) Potato 4) Raspberry

Total number of employees: 33; **of which BS/ BA:** 1