

# PUBLIC INVITATION FOR PARTICIPATION IN PUBLIC AUCTIONS

## Basic data on Auction sale

Those who are interested can purchase the auction documentation 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 documentation is obligatory and on its receipt one is to sign the Confidentiality Agreement. After the payment evidence has been submitted, the auction documentation can be collected at the following address: Privatization Agency, Belgrade, 23 Terazije St, from 09:00 – 17:00, in period from 14.04.2006 until 30.05.2006.

**CLOSING DATE FOR THE APPLICATION SUBMISSION is 31.05.2006, until 17:00.**

Filled application, which is a part of the auction documentation, with the signed draft of the SPA and the deposit payment evidence, is to be submitted in a sealed envelope with inscription: "THE APPLICATION FOR PARTICIPATION IN PUBLIC AUCTION 080606, Privatization Agency, Belgrade, 23 Terazije Str".

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

**THE AUCTION SHALL BE HELD ON 08.06.2006.**

at the address: Privatization Agency, Belgrade, 23 Terazije St, 2<sup>nd</sup> floor, Large Hall at **11:00**. The registration of the auction participants will take place at the same address on: **08.06.2006, 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 sale of the capital (08.06.2006), issued to the natural persons, 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 upon the unpaid foreign currency savings of citizens, which are not to become due until the capital sale date (08.06.2006), 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 natural persons or legal entities on such 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 14.04.2006 until 30.05.2006, after previously the time-table 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 14.04.2006.*

\*\* *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

The sale of the capital by method of the public auction is carried out by the Auction Commission, which is 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, she/he 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 she/he loses the right to be brought back the deposit.

**1) Basic information on the subject to be privatized: Društveno preduzeće za delatnost osnivanja, finansiranja i upravljanja (Holding) i obavljanje zajedničkih poslova 22. DECEMBAR, KRAGUJEVAC****Auction Sale Code:** 080606-1353Official ID number of the Subject: **07165218**Field of work: **Holding operations**The entire estimated capital value to be privatized amounts to: **CSD 800.901.000** or **\*EUR 9.248.277**, representing **70 %** of the total subject capital.**Deposit** for auction participation: **CSD 80.090.000** or **\*EUR 924.828****The initial auction price:** **CSD 160.180.000****Minimum of obligatory investments** into the subject to be privatized amounts to: **CSD 36.300.000****The most important property of the subject undergoing privatization****A) Buildings – main facilities (m²):**

1. Production plant, 1. stage, 19. Oktobra Str. 2, Kragujevac (4040) 2. Management building, 19. Oktobra Str. 2, Kragujevac (2125) 3. Technical unit, 19. Oktobra Str. 2, Kragujevac (1153) 4. Fashion house – Zaječar (user) (1817) 5. Fashion house–Smederevo (606) 6. Department store "Zlatna ruža", 44 Kralja Petra Prvog Str., Kragujevac (user) (4089) 7. Department store "Prodor", 2 Trg Revolucije, Kragujevac (off–booked user) (1556) 8. Department store "Pionir", Lole Ribara, Kragujevac (986) 9. Fashion house–Velika Plana (off–booked user) (757) 10. Production plant, 2. stage, 19. Oktobra Str. 2, Kragujevac (4040) 11. Shop – Ivanjica (120) 12. Shop – Batočina (122) 13. Shop – Bor (154) 14. Shop – Svilajnac (135)

**B) The most important equipment:**

1) Shop equipment 2) Goods vehicle (Zeta) 3) Sewing and processing machines (337 items) 4) Passenger vehicle (Yugo Florida) 5) Office furniture 6) IT equipment 7) Refrigerators (28 items)

**C) Land capacities (m²): Construction land: (100988) – in state ownership**

Balance sheet per year:	2004		2005		
	Shown in:	CSD	**EUR	CSD	**EUR
Total business revenues		61.773.000	846.182	90.263.000	1.088.726
Total business expenses		213.927.000	2.930.427	246.908.000	2.978.132

**Main products/ services:** 1) Men's clothes manufacture 2) Ladies' clothes manufacture, off-the-peg 3) Children's clothes manufacture 4) Other kinds of retail out of shops**Total number of employees:** 786; **of which BS/ BA:** 13**2) Basic information on the subject to be privatized: Fabrika opruga GIBNJARA, KRALJEVO****Auction Sale Code:** 080606-1606pOfficial ID number of the Subject: **07153872**Field of work: **Production of spare parts and equipment for motor vehicles**The entire estimated capital value to be privatized amounts to: **CSD 626.655.000** or **\*EUR 7.236.199**, representing **69,496 %** of the total subject capital.**Deposit** for auction participation: **CSD 50.132.000** or **\*EUR 578.896****The initial auction price:** **CSD 100.265.000****Minimum of obligatory investments** into the subject to be privatized amounts to: **CSD 63.863.000****The most important property of the subject undergoing privatization****A) Buildings – main facilities (m²):**

1. "Gibnjara works", A and B (11403) 2. Annexe to the hall "Gibnjara" (1260) 3. Establishment "Gepard" (1451) 4. Eaves (596)

**B) The most important equipment:**

1) Special roller for rolling of parabolic springs 2) Passing furnace with rollers 3) Roller for parabolic rolling of springs 4) Roller for conical rolling of springs (2 items) 5) Testing system (bf 6201)

**C) Land capacities (m²): Construction land: (32592) – owned by state**

Balance sheet per year:	2003		2004		
	Shown in:	CSD	**EUR	CSD	**EUR
Total business revenues		118.306.000	1.818.498	162.705.000	2.228.775
Total business expenses		129.635.000	1.992.637	196.453.000	2.691.063

**Main products/ services:** 1) Foliolate springs 2) Coiled springs 3) Snaillike springs 4) Stabilizing bars 5) Torsion rods**Total number of employees:** 279; **of which BS/ BA:** 12**3) Basic information on the subject to be privatized: Trgovinsko preduzeće MORAVA D.P., JAGODINA****Auction Sale Code:** 080606-1645Official ID number of the Subject: **07114567**Field of work: **Retail – general goods**The entire estimated capital value to be privatized amounts to: **CSD 411.862.000** or **\*EUR 4.755.911**, representing **70 %** of the total subject capital.**Deposit** for auction participation: **CSD 49.423.000** or **\*EUR 570.709****The initial auction price:** **CSD 98.847.000****Minimum of obligatory investments** into the subject to be privatized amounts to: **CSD 9.293.000****The most important property of the subject undergoing privatization****A) Buildings – main facilities (m²):**

1. Department store (1713) 2. Management building (842) 3. Complex of warehouses "Plavi ključ no. 1" (3449) 4. Complex of warehouses "Plavi ključ no. 2" (2441) 5. Storehouse – Regalo (5764) 6. Complex of warehouses "Hladnjača" (2995) 7. Auto Morava – shop (232)

**B) The most important equipment:**

1) Retail store equipment 2) Office furniture 3) Warehouse equipment 4) Forklift truck (Litostroj 5t) 5) Goods vehicle (2 items, Zastava Turbo Zeta 5t) 6) Truck (Tam 5000 Kiper 5t) 7) Truck (Tam 75 Furgon 2t) 8) Goods vehicle (Zastava 50.8 2.4t) 9) Passenger vehicle (Fiat Chroma)

**C) Land capacities (m<sup>2</sup>):** *Construction land: (198202) - owned by state*

<b>Balance sheet per year:</b>	<b>2004</b>		<b>2005</b>	
Shown in:	CSD	**EUR	CSD	**EUR
Total business revenues	10.520.000	144.106	20.672.000	249.340
Total business expenses	23.491.000	321.786	36.266.000	437.430

**Main products/ services:** 1) Other kinds of general goods retail 2) Fruit and vegetables retail 3) Meat and meat products retail 4) Fish, shellfish and mollusc retail 5) Bread, cake and candy retail 6) Spirits and other beverages retail 7) Cosmetics retail 8) Textile goods retail 9) Clothes retail 10) Furniture and lighting installations retail

**Total number of employees:** 86; **of which BS/ BA:** 0

#### 4) Basic information on the subject to be privatized: Preduzeće za unutrašnju i međunarodnu špediciju BEOGRADŠPED AD, BEOGRAD

**Auction Sale Code:** **080606-1646**

Official ID number of the Subject: **07075677**

Field of work: **Agency activities related to traffic**

The entire estimated capital value to be privatized amounts to: **CSD 99.297.000** or **\*EUR 1.146.615**, representing **68,201 %** of the total subject capital.

**Deposit** for auction participation: **CSD 11.916.000** or **\*EUR 137.594**

**The initial auction price:** **CSD 23.831.000**

**Minimum of obligatory investments** into the subject to be privatized amounts to: **CSD 3.808.000**

#### The most important property of the subject undergoing privatization

**A) Buildings - main facilities (m<sup>2</sup>):**

1. Management building in Belgrade - 11A Ivana Milutinovića Str. (741) 2. Office building-branch office in Čačak (90) 3. Office building-branch office in Užice (62) 4. Office building-branch office in Niš - 34 Majakovskog Str. (57) 5. Office building-branch office in Kraljevo (59)

**B) The most important equipment:**

1) Passenger vehicle (Zastava 101 Skala 55 C) 2) Passenger vehicle (Nissan Maxima) 3) Switchboard with installations and equipment 4) Computer (PC Intel Pentium) 5) Goods vehicle (Rival 4H Iveco)

**C) Land capacities (m<sup>2</sup>):** *Construction land: (3288) ((2546) - owned by state); (742) - socially-owned)*

<b>Balance sheet per year:</b>	<b>2004</b>		<b>2005</b>	
Shown in:	CSD	**EUR	CSD	**EUR
Total business revenues	20.290.000	277.938	14.817.000	178.718
Total business expenses	29.320.000	401.633	24.792.000	299.034

**Main products/ services:** 1) Domestic and international freight forwarding

**Total number of employees:** 34; **of which BS/ BA:** 3