

PUBLIC INVITATION FOR PARTICIPATION IN PUBLIC AUCTIONS

Basic Data on Auction Sale

Those who are interested can purchase auction documentation at the price of: **CSD 40000**, 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: 10 Bulevar Mihajla Pupina (5th floor), Novi Sad from 9:00 to 17:00, from 20.09.2006 to 26.10.2006.

DEADLINE FOR SUBMISSION OF APPLICATIONS IS 27.10.2006. 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 061106, 10 Bulevar Mihajla Pupina (5th floor), Novi Sad".

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

THE AUCTION WILL BE HELD ON: 06.11.2006.

at the address: **Novi Sad, JP Sportsko poslovni centar Vojvodina-SPENS at 11:00**. The registration of the auction participants will take place at the same address on: **06.11.2006, from 09:00 to 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 (06.11.2006.) 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 date of the capital sale (06.11.2006.) 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 be 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 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 20.09.2006 to 26.10.2006, at the time previously established by the Privatization Agency, tel: 021/452-959 or fax: 021/452-967.

* *The entire estimated capital value to be privatized, stated in EUR, was calculated according to the official exchange rate on 20.09.2006.*

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

Brief Description of PUBLIC AUCTION Procedure

The sale of capital by the method of 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 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 persons 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 undergoing privatization: Socially-owned enterprise for ready-made clothes KLUZ-TISA, NOVI BEČEJ

Auction Sale Code: 061106-1173

Official ID number of the Subject: **17195590**

Field of work: **Production of clothes**

The entire estimated capital value to be privatized amounts to: **CSD 80.721.000 or *EUR 967.996** which is **70 %** of the total capital of the subject.

Deposit for auction participation: **CSD 9.687.000 or *EUR 116.159**

Initial price at auction sale: **CSD 19.373.000**

Minimum obligatory investments into the subject to be privatized amounts to: **CSD 4.205.000**

The most important property of the subject undergoing privatization

A) Buildings – main facilities (m²):

1. Production hall 1 (540) 2. Restaurant (630) 3. Garage (136) 4. Administrative building (272) 5. Store (118) 6. Production hall 2 (540) 7. Final works hall (342) 8. Warehouse of finished goods (630) 9. Sewing workshop (300)

B) Main Equipment:

1) Office furniture 2) Sewing machines (101 pieces) (Pfaff) 3) Electric vapour irons (28 pieces) (Veit) 4) Sewing machines (108 pieces) (Necchi) 5) Automatic steam boiler (PK-25-3-A) 6) Hole making machine (Brother BM-980) 7) Computer equipment

C) Land (m²): *Construction land: (18862) – socially owned*

Balance sheet per year	2004		2005	
	CSD	**EUR	CSD	**EUR
Shown in:				
Total business revenues	60.708.000	831.594	70.828.000	854.307
Total business expenses	84.840.000	1.162.160	98.179.000	1.184.206

Main products/ services: 1) Ready-made clothes (coats, raincoats) 2) Clothes, costumes, other types of clothes

Total number of employees: 421; **of which BS/ BA:** 1

2) Basic information on the subject undergoing privatization: Socially-owned agricultural enterprise BAČKA, SIVAC

Auction Sale Code: 061106-1766

Official ID number of the Subject: **08134901**

Field of work: **Growing of corn and other crops**

The entire estimated capital value to be privatized amounts to: **CSD 1.067.638.000 or *EUR 12.802.951** which is **70 %** of the total capital of the subject.

Deposit for auction participation: **CSD 128.117.000 or *EUR 1.536.354**

Initial price at auction sale: **CSD 256.233.000**

Minimum obligatory investments into the subject to be privatized amounts to: **CSD 10.395.000**

The most important property of the subject undergoing privatization

A) Buildings – main facilities (m²):

1. Warehouse at railway station (672) 2. Agricultural pharmacy (998) 3. Building by the gas station (489) 4. Mixing plant (898) 5. Work unit (806) 6. Restaurant (2227) 7. Kiln and silo –20.000 tons (681) 8. Buildings with auxiliary facilities–Work unit Bačka (8070) 9. Buildings with auxiliary facilities –Work unit Tvrdi put (4660) 10. Central mechanical workshop (2718) 11. Buildings with auxiliary facilities–Work unit Mlekara (2756) 12. Buildings with auxiliary facilities–Work unit Veprovac (3121)

B) Main Equipment:

1) Combines (4) (NK-1620 N) 2) Tractor (11) (MTZ 820) 3) Tractor (2) (MTZ) 4) Kiln CER-Čačak 5) Silo equipment (6) Pneumatic sowing machine for beetroot 6 R (3) 7) Loader (ULT-160 C) 8) Elevator belt (EP 100/4 N/3 500/8 230) 9) Elevator belt (TTEP 330/2 N/3/2 500/8 245)

C) Land (m²): *Agricultural land: (47339595) ((35970924)–socially owned; (11368671)– state owned)); Other land (670322) – socially owned*

Balance sheet per year	2004		2005	
	CSD	**EUR	CSD	**EUR
Shown in:				
Total business revenues	126.458.000	1.732.254	147.995.000	1.785.072
Total business expenses	130.352.000	1.785.595	158.543.000	1.912.299

Main products/ services: 1) Wheat 2) Beetroot 3) Sunflower 4) Mercantile maze 5) Soya

Total number of employees: 205; **of which BS/ BA:** 10

3) Basic information on the subject undergoing privatization: Electrical engineering joint-stock company TEHNIKA, VRŠAC

Auction Sale Code: 061106-1767

Official ID number of the Subject: **08113114**

Field of work: **Setting of electrical installations and equipment**

The entire estimated capital value to be privatized amounts to: **CSD 39.419.000 or *EUR 472.709** which is **62,09 %** of the total capital of the subject.

Deposit for auction participation: **CSD 4.533.000 or *EUR 54.354**

Initial price at auction sale: **CSD 9.065.000**

Minimum obligatory investments into the subject to be privatized amounts to: **CSD 6.043.000**

The most important property of the subject undergoing privatization

A) Buildings – main facilities (m²):

1. Administrative building (725) 2. Workshop (460) 3. Residential building (206) 4. Administrative building and a warehouse (193)

B) Main Equipment:

1) Passenger vehicle (Opel Vektra 2.2) 2) Transporter (Zastava Rival) 3) Hydraulic platform 4) Hydraulic press 5) Press (MTR 160)

C) Land (m²): *Construction land: (2815)– state owned*

Balance sheet per year	2004		2005	
	CSD	**EUR	CSD	**EUR
Shown in:				

Total business revenues	68.710.000	941.207	91.899.000	1.108.459
Total business expenses	63.162.000	865.209	98.508.000	1.188.175

Main products/ services: 1) Setting of electrical installations 2) Projecting of electrical installations 3) Electric apparatus repair 4) Electrical rewinding 5) Setting of air-conditioners

Total number of employees: 57; of which BS/ BA: 2

4) Basic information on the subject undergoing privatization: Catering trade socially-owned enterprise DUBRAVA with shares, SOMBOR

Auction Sale Code: 061106-1768

Official ID number of the Subject: **08046654**

Field of work: **restaurants**

The entire estimated capital value to be privatized amounts to: **CSD 20.719.000 or *EUR 248.455** which is **70 %** of the total capital of the subject.

Deposit for auction participation: **CSD 2.486.000 or *EUR 29.815**

Initial price at auction sale: **CSD 4.972.000**

Minimum obligatory investments into the subject to be privatized amounts to: **CSD 88.000**

The most important property of the subject undergoing privatization

A) Buildings – main facilities (m²):

1. Cake shop with bistro and kitchen (165) 2. Administrative building-office (41) 3. Auxiliary facility (18)

B) Main Equipment:

1) Ice cream freezer (ITALGEL SPA 65-VII) 2) Ice cream freezer (ITALGEL SPA) 3) Ice cream freezer (SLSIP) 4) Garden furniture and parasols 5) Fiscal cash register

C) Land (m²): *Construction land: (1272)- state owned*

Balance sheet per year	2004		2005	
Shown in:	CSD	**EUR	CSD	**EUR
Total business revenues	3.835.000	52.533	3.600.000	43.422
Total business expenses	4.676.000	64.053	4.364.000	52.637

Main products/ services: 1) Cookies, cakes, pastry 2) Ice cream, pudding, chestnut 3) Lemonade, coffee 4) Dring pouring services

Total number of employees: 10; of which BS/ BA: 1

5) Basic information on the subject undergoing privatization: Publishing company with limited liability PAPIRUS, BAČKA PALANKA

Auction Sale Code: 061106-1769

Official ID number of the Subject: **08620130**

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

The entire estimated capital value to be privatized amounts to: **CSD 5.992.000 or *EUR 71.852** which is **70 %** of the total capital of the subject.

Deposit for auction participation: **CSD 840.000 or *EUR 10.078**

Initial price at auction sale: **CSD 1.681.000**

Minimum obligatory investments into the subject to be privatized amounts to: **CSD 45.000**

The most important property of the subject undergoing privatization

A) Buildings – main facilities (m²):

1. Office space (40)

B) Main Equipment:

1) Fiscal cash register 2) Shelves and booths 3) Office furniture 4) Automobile (POLI) 5) Computer

C) Land (m²):

Balance sheet per year	2004		2005	
Shown in:	CSD	**EUR	CSD	**EUR
Total business revenues	4.125.000	56.505	4.764.000	57.462
Total business expenses	4.401.000	60.286	4.738.000	57.148

Main products/ services: 1) Školski i kancelarijski materijal i knjige

Total number of employees: 4; of which BS/ BA: 0

6) Basic information on the subject undergoing privatization: Limited liability company VIJADUKT, NOVI SAD

Auction Sale Code: 061106-1771

Official ID number of the Subject: **08650748**

Field of work: **Production of wooden packaging**

The entire estimated capital value to be privatized amounts to: **CSD 80.003.000 or *EUR 959.382** which is **53,515 %** of the total capital of the subject.

Deposit for auction participation: **CSD 9.600.000 or *EUR 115.126**

Initial price at auction sale: **CSD 19.201.000**

Minimum obligatory investments into the subject to be privatized amounts to: **CSD 4.561.000**

The most important property of the subject undergoing privatization

A) Buildings – main facilities (m²):

1. Building with a hall (6759) 2. Technicl preparation (520) 3. Power station (661)

B) Main Equipment:

1) Veneer machine – bakarol 2) Veneer machine – koralni 3) Scissors with four knives 4) Peeling machine – koralni 5) Stable frame-saw

C) Land (m²): *Construction land: (35411)- state owned; Other land: (446701) – socially owned*

Balance sheet per year	2004		2005	
Shown in:	CSD	**EUR	CSD	**EUR

Total business revenues	24.954.000	341.826	2.674.000	32.253
Total business expenses	39.262.000	537.821	18.540.000	223.624

Main products/ services: 1) Crate elements 2) Pallet elements

Total number of employees: 39; of which BS/ BA: 0

7) Basic information on the subject undergoing privatization: VATROSERVIS joint-stock company for firefighting, engineering, service and trade, NOVI SAD

Auction Sale Code: 061106-1772

Official ID number of the Subject: **08175748**

Field of work: **Engineering**

The entire estimated capital value to be privatized amounts to: **CSD 4.314.000** or *EUR-51.731 which is **57,477 %** of the total capital of the subject.

Deposit for auction participation: **CSD 431.000** or *EUR 5.173

Initial price at auction sale: **CSD 863.000**

Minimum obligatory investments into the subject to be privatized amounts to: **CSD 955.000**

The most important property of the subject undergoing privatization

A) Buildings – main facilities (m²):

1. Ground floor building, Karadorževa 69, Novi Sad – tenure holder (255)

B) Main Equipment:

1) Various machines and devices – 58 pieces 2) Means of transport – 15 (Jugo, Lada) 3) Furniture– 120 4) PTT equipment – 17 (Panasonic) 5) Computers – 8 pieces (Pentium 2)

C) Land (m²): *Construction land: (978) – state owned – co-user*

Balance sheet per year	2004		2005	
Shown in:	CSD	**EUR	CSD	**EUR
Total business revenues	13.860.000	189.858	7.856.000	94.757
Total business expenses	16.438.000	225.172	9.924.000	119.700

Main products/ services: 1) Firefighting equipment service

Total number of employees: 19; of which BS/ BA: 2

8) Basic information on the subject undergoing privatization: Socially-owned graphic enterprise BUDUĆNOST, NOVI SAD

Auction Sale Code: 061106-1773

Official ID number of the Subject: **08577013**

Field of work: **Printing**

The entire estimated capital value to be privatized amounts to: **CSD 36.693.000** or *EUR 440.011 which is **70 %** of the total capital of the subject.

Deposit for auction participation: **CSD 3.669.000** or 44.001 *EUR

Initial price at auction sale: **CSD 7.339.000**

Minimum obligatory investments into the subject to be privatized amounts to: **CSD 7.563.000**

The most important property of the subject undergoing privatization

A) Buildings – main facilities (m²):

1. Printing department, warehouse, office management, Šumadijska 12 (1395) 2. department of final works and preparation, Šumadijska 12 (1476) 3. Upkeep department, Šumadijska 12 (410) 4. Warehouse, Šumadijska 12 (362)

B) Main Equipment:

1) Heilderberg (KORD-I) 2) Heilderberg (KORD-II) 3) Offset spidmaster Heiderberg (B2) 4) Machine (IMR 6) 5) machine (Sthal)

C) Land (m²): *Construction land: (3507)– state owned*

Balance sheet per year	2004		2005	
Shown in:	CSD	**EUR	CSD	**EUR
Total business revenues	67.303.000	921.934	79.796.000	962.476
Total business expenses	72.010.000	986.411	83.013.000	1.001.279

Main products/ services: 1) books, prospectuses, brochures 2) Catalogues 3) Blocks, notebooks, labels 4) Forms 5) Magazines

Total number of employees: 82; of which BS/ BA: 3

9) Basic information on the subject undergoing privatization: Socially-owned agricultural enterprise POBEDA, BOKA

Auction Sale Code: 061106-1774

Official ID number of the Subject: **08057699**

Field of work: **Growing of corn and other crops**

The entire estimated capital value to be privatized amounts to: **CSD 206.607.000** or *EUR 2.477.597 which is **70 %** of the total capital of the subject.

Deposit for auction participation: **CSD 24.793.000** or *EUR 297.312

Initial price at auction sale: **CSD 49.586.000**

Minimum obligatory investments into the subject to be privatized amounts to: **CSD 6.887.000**

The most important property of the subject undergoing privatization

A) Buildings – main facilities (m²):

1. Mechanical workshop with administrative department (758) 2. Warehouse at the railway station (1280) 3. Veterinary station and dairy (406) 4. Workshop (376) 5. Cow stable (1780)

B) Main Equipment:

1) Tractor (John Deere 7810) 2) Plough (John Deere) 3) Combine (Zmaj 143) 4) Spray pipe (Rau 2300 I)

C) Land (m²): *Construction land: (116660) – socially owned; Agricultural land: (26463727) ((5979165) – socially owned; (20484562) – state owned); Other land: (2045) – socially owned*

Balance sheet per year	2004		2005	
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Shown in:	CSD	**EUR	CSD	**EUR
Total business revenues	78.417.000	1.074.176	51.843.000	625.315
Total business expenses	63.416.000	868.689	65.173.000	786.098

Main products/ services: 1) Wheat 2) Soya 3) Sunflower 4) Beetroot 5) Sunflower oil and residues
Total number of employees: 70; **which BS/ BA:** 3

10) Basic information on the subject undergoing privatization: Socially-owned enterprise VUKICA MITROVIĆ for production of socks, APATIN

Auction Sale Code: 061106-1775

Official ID number of the Subject: **08027684**

Field of work: **Production of knitted socks**

The entire estimated capital value to be privatized amounts to: **CSD 84.696.000** or ***EUR 1.015.658** which is **70 %** of the total capital of the subject.

Deposit for auction participation: **CSD 10.163.000** or ***EUR 121.879**

Initial price at auction sale: **CSD 20.327.000**

Minimum obligatory investments into the subject to be privatized amounts to: **CSD 3.833.000**

The most important property of the subject undergoing privatization

A) Buildings – main facilities (m²):

1. Plant building (4776) 2. Finished goods warehouse (1040) 3. Water tower, workshop and substation (114)

B) Main Equipment:

1) Knitting machines (Lonati) 2) Knitting machines (DERA) 3) Sewing machines (Union) 4) Passenger vehicle (Renault 21) 5) Office furniture

C) Land (m²): *Construction land: (7319) – state owned*

Balance sheet per year

Shown in:	2004		2005	
	CSD	**EUR	CSD	**EUR
Total business revenues	17.831.000	244.254	7.212.000	86.989
Total business expenses	16.446.000	225.281	18.703.000	225.590

Main products/ services: 1) Socks for women, men and children 2) Women's stockings 3) Sewing services 4) Dyeing services 5) Ironing services

Total number of employees: 95; **which BS/ BA:** 3

11) Basic information on the subject undergoing privatization: POTISJE-PRECIZNI LIV Joint-stock casting company, ADA

Auction Sale Code: 061106-1776

Official ID number of the Subject: **08208409**

Field of work: **Steel casting**

The entire estimated capital value to be privatized amounts to: **CSD 80.425.000** or ***EUR 964.447** which is **68,516 %** of the total capital of the subject.

Deposit for auction participation: **CSD 9.651.000** or ***EUR 115.734**

Initial price at auction sale: **CSD 19.302.000**

Minimum obligatory investments into the subject to be privatized amounts to: **CSD 5.654.000**

The most important property of the subject undergoing privatization

A) Buildings – main facilities (m²):

1. Administrative building (375) 2. Hall of casting workshop, tool warehouse and upkeep (730) 3. Hall with an annex (660) 4. Warehouse (309) 5. Restaurant for the employees (310)

B) Main Equipment:

1) Cleaning machine (GG-150) 2) Electric chamber furnace (2) (KP-90) 3) Induction furnace with generator (IK-100) 4) Furnace (3 komada) (KCO-80) 5) Induction furnace with generator (IK-100) 6) Machine (H 6x10)

C) Land (m²): *Construction land: (11620) – socially owned*

Balance sheet per year

Shown in:	2004		2005.	
	CSD	**EUR	CSD	**EUR
Total business revenues	98.189.000	1.345.018	119.876.000	1.445.909
Total business expenses	94.608.000	1.295.964	115.332.000	1.391.101

Main products/ services: 1) Castings made of steel and copper alloys

Total number of employees: 127; **which BS/ BA:** 3