

PUBLIC INVITATION FOR PARTICIPATION IN PUBLIC AUCTIONS

Basic Data on Auction Sale

The interested parties can purchase the auction documentation at the price of: **CSD 40000**, after they receive the 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 9:00 to 17:00, from 11.01.2007 to 07.02.2007.

DEADLINE FOR SUBMISSION OF APPLICATIONS IS 08.02.2007. 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 160207, Privatization Agency, Belgrade, 23 Terazije St."

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: 16.02.2007.

at the address: **Privatization Agency, Belgrade, 23 Terazije St, 2nd floor, Large Hall**, at 11:00. The registration of the auction participants will be held at the same address on: **16.02.2007, 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 (16.02.2007.) 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 (16.02.2007.) 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 10.01.2007 to 07.02.2007, at the time previously established by the Privatization Agency, tel: 011/3020-804; 011/3020-803 or fax: 011/3020-881.

* *The entire estimated capital value to be privatized, stated in EUR, was calculated according to the official exchange rate on 11.01.2006.*

** *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: Enterprise for production, foreign and domestic trade PAPIRPROMET, KRALJEVO

Auction Sale Code: 160207-1643p

Official ID number of the Subject: **07144385**

Field of work: **Wholesale**

The entire estimated capital value to be privatized amounts to: **CSD 274.266.000** or ***EUR 3.424.040** which is **70 %** of the total capital of the subject.

Deposit for auction participation: **CSD 13.713.000** or ***EUR 171.202**

Initial price at auction sale: CSD 27.427.000

Minimum obligatory investments into the subject to be privatized amounts to: **CSD 24.582.000**

Main property of the subject undergoing privatization

A) Buildings – main facilities (m²):

1. Distribution center Kraljevo (5000) 2. Production facility – user (288) 3. Outlet Čačak (281) 4. Office premises (Omladinska) – non-registered (207)

B) Main Equipment:

1) Pasteboard cutting device (Dekleser) 2) Automobile (Jugo Florida) 3) Transporter (Jugo Florida) 4) Automobile (Jugo Skala)

C) Land (m²): *Entire land: (25486); Construction land: (25486) – state owned;*

Balance sheet per year	2004		2005	
	CSD	**EUR	CSD	**EUR
Shown in:				
Total business revenues	50.073.000	685.913	36.651.000	442.074
Total business expenses	89.479.000	1.225.706	76.873.000	927.220

Main products/ services: 1) Printing 2) Paper processing 3) Production of notebooks 4) Microfilming 5) Trade

Total number of employees: 112; **of which BS/ BA:** 8

2) Basic information on the subject undergoing privatization: Orthopaedic enterprise RUDO joint-stock company for manufacture of orthopaedic devices, BEOGRAD

Auction Sale Code: 160207-1878

Official ID number of the Subject: **07037708**

Field of work: **Sale of orthopaedic apparatuses and equipment**

The entire estimated capital value to be privatized amounts to: **CSD 448.694.000** or ***EUR 5.601.677** which is **68,208 %** of the total capital of the subject.

Deposit for auction participation: **CSD 53.843.000** or ***EUR 672.201**

Initial price at auction sale: CSD 107.687.000

Minimum obligatory investments into the subject to be privatized amounts to: **CSD 16.332.000**

Main property of the subject undergoing privatization

A) Buildings – main facilities (m²):

1. Application center, Beograd, Bulevar Vojvode Putnika 7 (2884) 2. Old administrative building, Beograd, Bulevar Vojvode Putnika 7 (679) 3. Workshops, Beograd, Bulevar Vojvode Putnika 7 (4644) 4. Store in Kragujevac (123) 5. Office premises in Podgorica (1016)

B) Main Equipment:

1) Artificial feet production line (COSMEC-ITALIJA) 2) Galvanization line (CER-ČAČAK) 3) Insole production line (IL PLANTARE-ITALIJA) 4) Plastic heating furnace (OTTO BOCK-NEMAČKA) 5) Lamination line (OTTO BOCK-NEMAČKA)

C) Land (m²): *Entire land: (19128); Construction land: (19128) – state owned;*

Balance sheet per year	2004		2005	
	CSD	**EUR	CSD	**EUR
Shown in:				
Total business revenues	159.995.000	2.191.652	179.648.000	2.166.862
Total business expenses	157.136.000	2.152.489	177.407.000	2.139.831

Main products/ services: 1) Prostheses for upper and lower limbs and eye prostheses 2) Orthosis for upper and lower limbs and spine 3) Components for prostheses and orthoses 4) Crutches, sticks, wheelchairs 5) Orthopaedic footwear and devices

Total number of employees: 6; **of which BS/ BA:** 165