

PUBLIC INVITATION FOR PARTICIPATION IN PUBLIC AUCTIONS

Basic Data on Auction Sale

The interested parties can purchase the auction documents 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 documents is obligatory, and on its receipt one is to sign the Confidentiality Agreement. After the payment evidence has been submitted, the auction documents can be collected at the following address:
Privatization Agency, Belgrade, 23 Terazije St., from 9:00 to 17:00, from 16.03.2007 to 10.04.2007.

DEADLINE FOR SUBMISSION OF APPLICATIONS IS 11.04.2007 UNTIL 17:00

Filled application which is a part of the auction documents, 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 180407, 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: 18.04.2007.

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:

18.04.2007, 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, which are due not later than the date of the capital sale (18.04.2007.) 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, which are not to become due until the date of the capital sale (18.04.2007.) 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 returned 15 days after the public auction has been held.

The Privatization Agency keeps the right to change the auction date as well as the deadline 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 Confidentiality Agreement in the period from 16.03.2007 to 10.04.2007, 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 16.03.2007.*

** *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 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 auction, registers auction participants, declares auction unsuccessful, signs the minutes and performs other activities important for auction performance in accordance with the Law. The conditions for auction to be carried out are fulfilled if at least one person has obtained the status of an 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, when 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 of 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 opens the second bidding immediately afterwards, when even undue state bonds can be the means of payment. Those who have applied for the second bidding can also participate, as well as the participants in the first bidding, in case it has been declared unsuccessful. If more than one person participates in the second bidding, 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 returned 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 returned the deposit.

1) Basic information on the subject undergoing privatization: Joint-stock company ŠUMADIJAPROMET, TOPOLA

Auction Sale Code: 180407-0651p

Official ID number of the Subject: 07123272

Field of work: **Sale of components and equipment for motor vehicles**

The entire estimated capital value to be privatized amounts to: **CSD 44.707.000** or *EUR 551.187 which is **69,482 %** of the total capital of the subject.

Deposit for auction participation: **CSD 2.235.000** or *EUR 27.559

Initial price at auction sale: CSD 4.471.000

Minimum obligatory investments into the subject to be privatized amounts to: **CSD 1.456.000**

Main property of the subject undergoing privatization

A) Buildings – main facilities (m²):

1. Car service facility (710) 2. Oil workshop (297) 3. Car sale facility (164) 4. usiness premises (841) 5. Bulding with the central warehouse (870) 6. Dyeing workshop (656)

B) Main Equipment:

1) Car painting chamber (Berfag) 2) Welding aparatus 3) Hydraulic jack (8 pieces) (Laycock) 4) Office equipment and furniture

C) Land (m²): *Entire land: (39125); Construction land: (39125) – state owned;*

Balance sheet per year

Shown in:	2004		2005	
	CSD	**EUR	CSD	**EUR
Total business revenues	2.199.000	30.122	730.000	8.805
Total business expenses	14.610.000	200.132	8.070.000	97.338

Main products/ services: 1) Sale of passenger vehicles 2) Sale of transporters 3) Sale of components

Total number of employees: 14; **of which BS/ BA:** 1

2) Basic information on the subject undergoing privatization: Economic entity for coal exploitation RUDNIK KOVIN d.o.o., KOVIN

Auction Sale Code: 180407-1913

Official ID number of the Subject: 20053518

Field of work: **Lignite extracting**

The entire estimated capital value to be privatized amounts to: **CSD 951.512.000** or **11.731.128 *EUR** which is **70 %** of the total capital of the subject.

Deposit for auction participation: **CSD 114.181.000** or *EUR 1.407.735

Initial price at auction sale: CSD 228.363.000

Minimum obligatory investments into the subject to be privatized amounts to: **CSD 162.363.000**

Main property of the subject undergoing privatization

A) Buildings – main facilities (m²):

1. Administrative building with a warehouse (292) 2. Warehouse of oils and lubricants (72) 3. Canteen (72) 4. Container – offices – (8 * 14,4m²)

B) Main Equipment:

1) Floating device (Pristan) 2) Floating device (Gaj) 3) Loading machine 4) Weighbridge – electronic 5) Dredger (UCW 450) 6) Oil pump with a reservoir

C) Land (m²): *Entire land: (2211028) ; Agricultural land: (21116) – state owned; Water space (188665) – state owned; Forest land: (1789158) – state owned; other types of land: (212089) – state owned;*

Balance sheet per year

Shown in:	2004		2005	
	CSD	**EUR	CSD	**EUR
Total business revenues			59.375.000	716.164
Total business expenses	-	-	86.386.000	1.041.963

Main products/ services: 1) Coal 3) gravel

Total number of employees: 103; **of which BS/ BA:** 16

3) Basic information on the subject undergoing privatization: Trade enterprise for production and services 1. MAJ holding, ŽDEGLOVO

Auction Sale Code: 180407-1914

Official ID number of the Subject: 07184611

Field of work: **Holding business**

The entire estimated capital value to be privatized amounts to: **CSD 85.708.000** or **1.056.695 *EUR** which is **70 %** of the total capital of the subject.

Deposit for auction participation: **CSD 10.285.000** or *EUR 126.803

Initial price at auction sale: CSD 20.570.000

Minimum obligatory investments into the subject to be privatized amounts to: **CSD 7.611.000**

Main property of the subject undergoing privatization

A) Buildings – main facilities (m²):

1. Administrative building Lebane (309) 2. Hall with an annex for the compression station–hall no. 1 (576) 3. 0Hall, warehouse of raw material and finished goods (1497) 4. Administrative building with a restaurant Ždeglovo (1058) 5. Light components hall (1593) 6. Contact duct hall (1064) 7. Metal processing facility–halls 1, 2 and 3 (5360)

B) Main Equipment:

1) Grinder (URB–1000) 2) Transformer (12–2500A) 3) Water waste neutralization device (Cer) 4) Water waste filter (Cer) 5) Plastic spraying device (Belmatik 100/50) 6) Substation (400 kW) 7) Kiln (Cer, 65 kW) 8) Electrical kiln (Cer, SC–80 65 kW)

C) Land (m²): Entire land: (94182) ; Construction land: (91906) ((81813) – socially owned; (10093) – state owned); Agricultural land: (2276) – socially owned;

Balance sheet per year	2004		2005	
	CSD	**EUR	CSD	**EUR
Shown in:				
Total business revenues	1.251.000	17.137	1.417.000	17.091
Total business expenses	72.303.000	990.425	108.152.000	1.304.498

Main products / services: 1) Production of lamps 2) Metal products 3) Agricultural mechanization 4) Contact ducts 5) Interior equipment

Total number of employees: 121; **of which BS/ BA:** 2