

In accordance with Article 38 of the Law on Privatization ("Official Gazette of the RS", no-s. 38/01, 18/03 and 45/05), and Article 9 of the Decree on sale of capital and property by Public auction ("Official Gazette of the RS" no. 52/05), the Privatization Agency announces:

PUBLIC INVITATION FOR PARTICIPATION IN PUBLIC AUCTIONS

Basic data on Auction sale

Interested parties can purchase the auction documents at the price of **RSD 40.000**, after they receive the invoice from the Privatization Agency. VAT is not calculated in the price. 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 can be collected at the following address:

Privatization Agency, Belgrade, 23 Terazije St., from 09:00 to 17:00 on weekdays in the period from 24.09.2007 until 16.10.2007.

DEADLINE FOR SUBMISSION OF APPLICATIONS IS 17.10.2007, BY 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 marked with: "THE APPLICATION FOR PARTICIPATION IN PUBLIC AUCTION 251007, Privatization Agency, Belgrade, 23 Terazije St".

** The total estimated capital value to be privatized, stated in EUR, was calculated according to the official exchange rate on 24.09.2007.*

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

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: 25.10.2007,

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

25.10.2007, from 09:00 to 10:50.

Means of payment can be in domestic currency, foreign convertible currency, state bonds based on the unpaid foreign currency savings, which are due not later than the date of the capital sale (25.10.2007) issued to the individuals, 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 on the unpaid foreign currency savings, which are not due until the date of the capital sale (25.10.2007) issued to the individuals, 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 signing the Confidentiality Agreement in the period from 24.09.2007 to 16.10.2007, at the time previously established by the Privatization Agency, tel: 011/3020-804; 011/3020-803 or fax: 011/3020-881.

Brief description of the PUBLIC AUCTION procedure

The sale of capital by Public auction is carried out by the Auction Commission, which is 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, it 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 it loses the right to be returned the deposit.

1) Basic information on the entity undergoing privatization: Socially-owned enterprise RUL, LESKOVAC

Auction Sale Code: 251007-0356p

Official ID number of the Entity: 07105126

Field of work: **Production of light bulbs and lighting devices**

The entire estimated capital value to be privatized amounts to: **RSD 304.106.000** or ***EUR 3.827.794**, which is **70 %** of the total entity capital.

Deposit for participation in the auction: **RSD 24.328.000** or ***EUR 306.223**

Initial price at the auction sale: **RSD 48.657.000**

Minimum obligatory investments into the entity to be privatized amounts to: **RSD 17.373.000**

Main property of the entity undergoing privatization

A) Buildings – main facilities (m²):

1. Administrative building (1707) 2. Production hall (6145) 3. Warehouse of finished products and goods (2376) 4. Raw material warehouse (1405) 5. Production hall and its facilities (1856)

B) Main equipment:

1) Eccentric press (EPU 125t) 2) Hydraulic press (PHB-63) 3) Powder strewing cabin (KP 1500) 4) Electric device for powder strewing (EASY 1-B GEMA) 5) Electric kiln (ES 1500) 6) Van (Fiat Ducato 1,5 T) 7) Passenger vehicle (Škoda Super B 2,0)

C) Land (m²): *Entire land: (38164); Construction land: (38164) – state owned;*

| Balance sheet per year: | | 2005 | | 2006 | |
|-------------------------|--|------------|---------|------------|---------|
| Shown in: | | RSD | **EUR | RSD | **EUR |
| Total business revenues | | 26.314.000 | 317.392 | 23.197.000 | 275.810 |
| Total business expenses | | 81.805.000 | 986.708 | 69.947.000 | 831.663 |

Main products/ services: 1) Decorative, park and construction lighting 2) Electric rings 3) Battery and starter chargers 4) Voltage correctors 5) Surface protection (zinc-plating, nickel-plating, brass-plating, dyeing) 6) Metal products

Total number of employees: 148; **of which BS/ BA:** 7

2) Basic information on the entity undergoing privatization: Socially-owned enterprise with strict liability Radnički univerzitet SLOBODAN JOVIĆ, KUČEVO

Auction Sale Code: 251007-1990p

Official ID number of the Entity: 07225628

Field of work: **Education**

The entire estimated capital value to be privatized amounts to: **RSD 101.000** or ***EUR 1.270**, which is **70 %** of the total entity capital.

Deposit for auction participation: **RSD 5.000** or ***EUR 63**

Initial price at the auction sale: **RSD 10.000**

Minimum obligatory investments into the entity to be privatized amounts to: **RSD 104.000**

Main property of the entity undergoing privatization

A) Buildings – main facilities (m²):

B) Main equipment:

1) Passenger vehicle (Yugo Koral)

C) Land (m²): *Entire land: (119); Agricultural land: (119) – state owned;*

| Balance sheet per year: | | 2005 | | 2006 | |
|-------------------------|--|-----------|--------|-----------|--------|
| Shown in: | | RSD | **EUR | RSD | **EUR |
| Total business revenues | | 2.281.000 | 27.513 | 2.088.000 | 24.826 |
| Total business expenses | | 2.319.000 | 27.971 | 3.099.000 | 36.847 |

Main products/ services: 1) Training of candidates and education

Total number of employees: 5; **of which BS/ BA:** 0

3) Basic information on the entity undergoing privatization: Socially-owned enterprise for production, trade and services DRINA METAL, LJUBOVKA

Auction Sale Code: 251007-1994p

Official ID number of the Entity: 17037404

Field of work: **Fabrication of metal constructions**

The entire estimated capital value to be privatized amounts to: **RSD 30.840.000** or ***EUR 388.188**, which is **70 %** of the total entity capital.

Deposit for auction participation: **RSD 2.467.000** or ***EUR 31.055**

Initial price at the auction sale: **RSD 4.934.000**

Minimum obligatory investments into the entity to be privatized amounts to: **RSD 2.300.000**

Main property of the entity undergoing privatization

A) Buildings – main facilities (m²):

1. Zinc-coating hall (590) 2. Social building (123) 3. Administration building (173) 4. Administration building-annexe (80) 5. Warehouse (65)

B) Main equipment:

1) Zinc-coating bath 2) Acid bath 3) Washing out bath 4) Fluxing bath 5) Hanging crane

C) Land (m²): *Entire land: (6832); Construction land: (6832) – socially-owned;*

| Balance sheet per year: | | 2005 | | 2006 | |
|-------------------------|--|------------|---------|------------|---------|
| Shown in: | | RSD | **EUR | RSD | **EUR |
| Total business revenues | | 20.784.000 | 250.691 | 14.975.000 | 178.051 |
| Total business expenses | | 27.215.000 | 328.259 | 24.030.000 | 285.714 |

Main products/ services: 1) Zinc-coated goods
Total number of employees: 46; **of which BS/ BA:** 0