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According to the Article 38 of the Law on privatization ("Official Gazette RS", no. 38/01, 18/03 and 45/05), the Law on Share Fund ("Official Gazette RS" no. 38/01 and 45/05), the Law on Privatization Agency ("Official Gazette RS" no. 38/01, 135/04) and the Article 9 of the Decree on sale of capital and property by Public auction ("Official Gazette RS" no. 52/05, 91/07),

Privatization Agency and Share Fund announce:

PUBLIC INVITATION FOR PARTICIPATION IN PUBLIC AUCTION

Basic data on Auction sale

Privatization Agency and Share Fund offer for sale the share of the Republic Pension Fund in the capital of the enterprise JUVELA D.O.O., which is 2,95% of the total capital of the enterprise

Interested parties can purchase the auction documents at the price of: **RSD 15.000**, after they receive the invoice from the Privatization Agency. VAT is not calculated in the price. Purchase of the auction documents is obligatory. After the payment evidence has been submitted, the auction documents can be collected at the following address:

Privatization Agency, Belgrade, 23 Terazije St., 5th floor, from 09:00 to 16:30, in the period from 25.12.2007 until 28.12.2007 and from 08.01.2008 until 16.01.2008.

DEADLINE FOR SUBMISSION OF APPLICATIONS IS 17.01.2008, BY 16.30.

Filled application, which is a part of the auction documents, with the signed draft SPA and the deposit payment evidence, is to be submitted in a sealed envelope with the inscription: "THE APPLICATION FOR PARTICIPATION IN PUBLIC AUCTION 250108-A, Privatization Agency, Belgrade, 23 Terazije St., 5th floor".

IF THERE IS NAME OF THE COMPANY WHOSE SHARES ARE THE SUBJECT OF SALE ON THE ENVELOPE, OR FULL AUCTION CODE, THE APPLICATION CAN BE REJECTED.

THE AUCTION WILL BE HELD ON: 25.01.2008

at the address: **Privatization Agency, Belgrade, 23 Terazije St., Large Hall, at 11:00.** Registration of the auction participants will be held at the same address on:
25.01.2008, from 09:00 to 10:50.

Means of payment can be in domestic currency and in foreign convertible currency. A declared buyer can pay the selling price in installments.

Deposit for participation in the auction amounts to 50% of the initial price of shares, and can be paid in money or by submitting the first-class bank guarantee.

The deposit is to be paid into the account of the Privatization Agency, no. 840-1327721-76, call upon number 250108-a-1976p.

In case that the first-class bank guarantee has been submitted as the means of deposit payment, it has to be due within 48 hours after the declaration a buyer.

After signing of the SPA, the buyer shall, at the latest within 3 weekdays following the signing date of the SPA, pay in to the Share Fund the selling price from the SPA, reduced for the deposited amount, i.e. the total selling price if the buyer has submitted the bank-guarantee for the deposit coverage.

Deposit for participation in the public auction is to be returned to the participants not having been declared a buyer within 8 days following the date of the public auction, except for the participant who has bid the second-ranked offer. Privatization Agency keeps the right to change the auction date and 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.

* Deposited amount, stated in EUR, was calculated according to the official exchange rate on 24.12.2007.

Brief description of the PUBLIC AUCTION procedure

Sale of shares by the Public auction is carried out by the Auction commission which is established by the Privatization Agency and the Share Fund. The Commission supervises the sale by auction, registers auction participants, declares auction unsuccessful, signs the minutes and carries out 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 bidding.

If there is more than one person at the bidding, the auctioneer shall announce 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 auction is declared unsuccessful and participants lose the right to be returned the deposit.

If only one party who has obtained the auction participant status attends the 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 at the same time 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 enterprise JVELA D.O.O., BELGRADE, 39 DOBRIČINA St., Belgrade

Auction sale code: **250108-A-1976p**

Official ID number of the entity: **07722605**

Field of work: **Production of jewelry and related products**

Deposit for participation in the auction: **RSD 249.500** or ***EUR 3.200**

Initial price at the auction sale: **RSD 499.000**

Balance sheet per year:	2005	2006
Shown in:	RSD	RSD
Total operating revenues	104.906.000	124.046.000
Total operating expenses	101.386.000	118.846.000