

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., 5th floor, from 09:00 to 16:30, in the period from 12.03.2008 until 02.04.2008.

DEADLINE FOR SUBMISSION OF APPLICATIONS IS 03.04.2008, BY 16:30.

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 110408, Privatization Agency, Belgrade, 23 Terazije St, 5th floor".

** The total estimated capital value to be privatized, stated in EUR, was calculated according to the official exchange rate on 10.03.2008.*

*** 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 PRIVATIZATION ENTITY ON THE ENVELOPE, OR FULL AUCTION CODE, THE APPLICATION CAN BE REJECTED.

THE AUCTION WILL BE HELD ON: 11.04.2008

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

11.04.2008, 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 (11.04.2008) 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 (11.04.2008) 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 has to be due within 48 hours after the declaration a buyer.

Deposit for participation is to be returned within 21 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 about such changes, if any, until the auction date at the latest.

The site visit shall be carried out after the signing of the Confidentiality Agreement in the period from 12.03.2008 until 02.04.2008., at the time previously agreed with the Privatization Agency, tel: (+381 11) 3020-842; (+381 11) 3020-803 or fax: (+381 11) 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 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 of 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 privatization entity: Building construction specialized joint-stock company IZOLACIJA holding, BELGRADE

Auction sale code: 110408-1945p

Official ID number of the entity: **07015135**

Field of work: **Holding operations**

The entire estimated capital value to be privatized amounts to: **RSD 483.165.000** or ***EUR 5.773.103**, which is **68,397 %** of the total entity capital.

Deposit for participation in the auction: **RSD 38.653.000** or ***EUR 461.848**

Initial price at the auction sale: **RSD 77.306.000**

Minimum obligatory investments into the privatization entity amount to: **RSD 11.613.000**

Main property of the privatization entity

A) Buildings – main facilities (m²):

1. Building of the Holding, 9 Miška Jovanovića St., Belgrade (1175) 2. Production hall, 257 Kumopdraška St., Belgrade (1257) 3. Office building, 257 Kumopdraška St., Belgrade (990) 4. Office premises, 25 Bulevar Nemanjića, Niš (139) 5. Administration building, Čačak (300)

B) Main equipment:

1) Tipper truck (FAP 2021) 2) Passenger vehicle (2 items, DACIA SOLENZA KOMFORT 1.9 D) 3) Orthogonal joint (2600 items) 4) Machine with the roller (HOLZ BF 300E) 5) Concrete machine (MC300) 6) Scaffold 7) Concrete finishing machine (BTM 1200)

C) Land (m²):

Balance sheet per year:	2005		2006		
	Shown in:	RSD	**EUR	RSD	**EUR
Total operating revenues		325.931.000	3.931.284	308.931.000	3.673.159
Total operating expenses		340.144.000	4.102.718	381.369.000	4.534.439

Main products/services: 1) Hydro and thermal insulation 2) Engineering 3) Rebuilding and construction

Total number of employees: 144; **of which BS/BA:** 10

2) Basic information on the privatization entity: Socially-owned company for trade and services SINDI, VLADIČIN HAN

Auction sale code: 110408-2153p

Official ID number of the entity: **06590365**

Field of work: **Non-specialized wholesale of food**

The entire estimated capital value to be privatized amounts to: **RSD 136.000** or ***EUR 1.620**, which is **70 %** of the total entity capital.

Deposit for participation in the auction: **RSD 7.000** or ***EUR 81**

Initial price at the auction sale: **RSD 14.000**

Minimum obligatory investments into the privatization entity amount to: **RSD 15.000**

Main property of the privatization entity

A) Buildings – main facilities (m²):

B) Main equipment:

1) Telephone 2) Vacuum cleaner (2 items)

C) Land (m²):

Balance sheet per year:	2005		2006		
	Shown in:	RSD	**EUR	RSD	**EUR
Total operating revenues		2.449.000	29.539	2.516.000	29.915
Total operating expenses		2.350.000	28.345	2.421.000	28.785

Main products/services: 1) Trade in stationary and school equipment

Total number of employees: 2; **of which BS/BA:** 1

3) Basic information on the privatization entity: Socially-owned company for production of building construction elements FAGREM, DONJI ADROVAC

Auction sale code: 110408-2195p

Official ID number of the entity: **07153708**

Field of work: **Manufacturing of bricks and clay tiles**

The entire estimated capital value to be privatized amounts to: **RSD 11.519.000** or ***EUR 137.639**, which is **70 %** of the total entity capital.

Deposit for participation in the auction: **RSD 922.000** or ***EUR 11.011**

Initial price at the auction sale: **RSD 1.843.000**

Minimum obligatory investments into the privatization entity amount to: **RSD 195.000**

Main property of the privatization entity

A) Buildings – main facilities (m²):

1. Administration building (200) 2. Saw mill (256) 3. Garage workshop (536) 4. Canteen (19) 5. Concrete runway (2870)

B) Main equipment:

1) Zenith mould (B – 20) 2) Mould (NBB 20) 3) Drill (HSV – 2000) 4) Scubler 5) Electric motor 6) Goods vehicles

C) Land (m²): *Entire land: (96537); Construction land: (96537) (74872) – state-owned, (21665) – socially-owned;*

Balance sheet per year:		2005		2006	
Shown in:		RSD	**EUR	RSD	**EUR
Total operating revenues		3.151.000	38.006	4.932.000	58.641
Total operating expenses		5.071.000	61.165	7.553.000	89.804

Main products/services: 1) Sawn timber 2) Breeze blocks 3) Cement packagings 4) Transport of goods

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

4) Basic information on the privatization entity: Travel agency ATLAS TOURS with full liability, BELGRADE

Auction sale code: 110408-2257

Official ID number of the entity: **07745320**

Field of work: **Travel agency**

Main property of the privatization entity

A) Buildings – main facilities (m²):

1. Office premises – 11 Decanska St., Belgrade (29) 2. Office premises – 2 Kosovska St., Belgrade (51)

The entire estimated capital value to be privatized amounts to: **RSD 21.873.000** or ***EUR 261.352**, which is **70 %** of the total entity capital.

Deposit for participation in the auction: **RSD 2.625.000** or ***EUR 31.362**

Initial price at the auction sale: **RSD 5.250.000**

Minimum obligatory investments into the privatization entity amount to: **RSD 129.000**

B) Main equipment:

1) Office furniture

C) Land (m²):

Balance sheet per year:		2005		2006	
Shown in:		RSD	**EUR	RSD	**EUR
Total operating revenues		1.872.000	22.580	2.160.000	25.682
Total operating expenses		1.973.000	23.798	2.209.000	26.265

Main products/services: 1) Activities of travel agency

Total number of employees: 2; of which BS/BA: 1

5) Basic information on the privatization entity: Limited Liability Company for development of projects on real estate PRON-INVEST, BELGRADE

Auction sale code: 110408-2262

Official ID number of the entity: **06898661**

Field of work: **Engineering**

Main property of the privatization entity

A) Buildings – main facilities (m²):

1. Office premises, 4/1 Hajduk Veljkov Venac, Belgrade – (co-owner) (470)

The entire estimated capital value to be privatized amounts to: **RSD 31.277.000** or ***EUR 373.716**, which is **70 %** of the total entity capital.

Deposit for participation in the auction: **RSD 3.753.000** or ***EUR 44.846**

Initial price at the auction sale: **RSD 7.507.000**

Minimum obligatory investments into the privatization entity amount to: **RSD 1.919.000**

B) Main equipment:

1) Computer equipment (Pentium 2-4) 2) Office furniture (Kompo) 3) Switchboard (Panasonic)

C) Land (m²):

Balance sheet per year:		2005		2006	
Shown in:		RSD	**EUR	RSD	**EUR
Total operating revenues		16.415.000	197.993	22.323.000	265.418
Total operating expenses		17.499.000	211.068	23.327.000	277.356

Main products/services: 1) Engineering 2) Real estate trade 3) Designing of constructions and other facilities

Total number of employees: 14; of which BS/BA: 7

6) Basic information on the privatization entity: Socially-owned company for production, trade and services ELEKTROKOVINA, BELGRADE

Auction sale code: 110408-2263

Official ID number of the entity: **07882874**

Field of work: **Wholesale of heating equipment**

Main property of the privatization entity

A) Buildings – main facilities (m²):

The entire estimated capital value to be privatized amounts to: **RSD 11.525.000** or ***EUR 137.705**, which is **70 %** of the total entity capital.

Deposit for participation in the auction: **RSD 1.379.000** or ***EUR 16.483**

Initial price at the auction sale: **RSD 2.759.000**

Minimum obligatory investments into the privatization entity amount to: **RSD 379.000**

B) Main equipment:

1) Van (KIA) 2) Passenger vehicle (Leganca) 3) Passenger vehicle (Nubira) 4) Computers

C) Land (m²):

Balance sheet per year:		2005		2006	
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Shown in:	RSD	**EUR	RSD	**EUR
Total operating revenues	36.234.000	437.044	44.343.000	527.234
Total operating expenses	38.356.000	462.639	42.460.000	504.845

Main products/services: 1) Wholesale of central heating equipment 2) Import and export of pumps 3) Repair shop for pumps

Total number of employees: 2; **of which BS/BA:** 0

7) Basic information on the privatization entity: Driving school CRVENI SIGNAL – KRUŠEVAC, KRUŠEVAC

Auction sale code: 110408-2264

Official ID number of the entity: **07341849**

Field of work: **Driving school**

Main property of the privatization entity

A) Buildings – main facilities (m²):

1. Office premises – nonregistered ownership (161)

The entire estimated capital value to be privatized amounts to: **RSD 317.000** or ***EUR 3.786**, which is **70 %** of the total entity capital.

Deposit for participation in the auction: **RSD 32.000** or ***EUR 379**

Initial price at the auction sale: **RSD 63.000**

Minimum obligatory investments into the privatization entity amount to: **RSD 289.000**

B) Main equipment:

1) Fiscal cash-register (Compact, El) 2) Passenger vehicle (3 items, Yugo Coral 55) 3) Passenger vehicle (3 items, Yugo Coral 45) 4) Office copier (Canon)

C) Land (m²):

Balance sheet per year:

	2005		2006	
Shown in:	RSD	**EUR	RSD	**EUR
Total operating revenues	691.000	8.335	661.000	7.859
Total operating expenses	1.103.000	13.304	1.449.000	17.228

Main products/services: 1) Training of drivers

Total number of employees: 3; **of which BS/BA:** 0

8) Basic information on the privatization entity: Company for international and domestic freight forwarding KONTINENTALŠPED, BELGRADE

Auction sale code: 110408-2265

Official ID number of the entity: **07524480**

Field of work: **Agent services in traffic**

Main property of the privatization entity

A) Buildings – main facilities (m²):

1. Office premises – 45 Svetogorska St., Belgrade (user) (38) 2. Office premises – 4 Hajduk Veljkov Venac, Belgrade (user) (96)

The entire estimated capital value to be privatized amounts to: **RSD 18.331.000** or ***EUR 219.029**, which is **70 %** of the total entity capital.

Deposit for participation in the auction: **RSD 2.200.000** or ***EUR 26.284**

Initial price at the auction sale: **RSD 4.399.000**

Minimum obligatory investments into the privatization entity amount to: **RSD 433.000**

B) Main equipment:

1) Passenger vehicle (Zastava 101 Scala 55) 2) Printer 3) Computer 4) Fax machine (KX-FT 21 BX)

C) Land (m²):

Balance sheet per year:

	2005		2006	
Shown in:	RSD	**EUR	RSD	**EUR
Total operating revenues	2.064.000	24.895	4.123.000	49.022
Total operating expenses	3.973.000	47.921	3.956.000	47.036

Main products/services: 1) Freight forwarding

Total number of employees: 5; **of which BS/BA:** 1