

Correction of the Public invitation for participation in public auction

In the public invitation, which was published in the daily "Politika" on 29.12.2008, in the part referring to the basic data on auction sale, as well as on the main assets of the entity undergoing privatization: Poljoprivredno industrijski kombinat "ZEMUN", from Belgrade, instead of the announced data, the following data should be stated:

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, Terazije St. 23, 5th floor, from 09:00 to 16:30, in the period from 20.01.2009 until 18.03.2009.

DEADLINE FOR SUBMISSION OF APPLICATIONS IS 19.03.2009, BY 16:30.

Completed 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 270309, Privatization Agency, Belgrade, 23 Terazije St, 5th floor".

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: 27.03.2009,

at the address: **Privatization Agency, Belgrade, Terazije St. 23, 2nd floor, Large hall, at 11:00.** Registration of the auction participants will be held at the same address on: **27.03.2009, from 09:00 until 10:50.**

Means of payment can be in domestic currency, foreign convertible currency, state bonds based on the unpaid foreign currency savings of citizens, which are due not later than the date of the capital sale (27.03.2009), issued to the individuals, who are citizens of the Republic of Serbia. If a participant applies only for the second bidding, the means of payment can be even the state bonds based on the unpaid foreign currency savings of citizens, which are not due until the date of the capital sale (27.03.2009), issued to the individuals, who are citizens of the Republic of Serbia.

In case the first class bank guarantee has been submitted as means of deposit payment, it is 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 date.

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 can be carried out after signing of the Confidentiality Agreement in the period from 20.01.2009 until 18.03.2009.

* *The total estimated capital value to be privatized, stated in EUR, was calculated according to the official exchange rate on the preparation date of the Public invitation.*

** *The data on real estate of the privatization entity from this Public invitation are solely for the purpose of giving information, while the data on legal grounds, ownership type and right to them are presented in the auction documents.*

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

Brief description of the PUBLIC AUCTION procedure

Sale of capital by the 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 entity undergoing privatization: Poljoprivredno industrijski kombinat ZEMUN, BELGRADE

Auction sale code: 270309-3307

Official ID number of the entity: 07042914

Field of work: **Cattle breeding and production of milk**

The entire estimated capital value to be privatized amounts to: **RSD 3.996.938.000** or ***EUR 45.357.076**, which is **70 %** of the total entity capital.

Deposit for participation in the auction: **RSD 399.694.000** or ***EUR 4.535.708**

Initial price at the auction sale: **RSD 799.388.000**

Minimum obligatory investments into the entity undergoing privatization amount to: **RSD 30.096.000**

Main assets of the entity undergoing privatization **

A) Buildings – main facilities (m²):

1. Head office building, Batajnički drum 14km, Belgrade (1681) 2. Dairy plant, Batajnički drum 14km, Belgrade (872) 3. Cloche for cultivation of seedlings (5 facilities), Batajnički drum 14km, Belgrade (560) 4. Tillage facility, Batajnički drum 14km, Belgrade (197) 5. Vegetable growing facility, Batajnički drum 14km, Belgrade (148) 6. Farm's administration building, Batajnički drum 14km, Belgrade (264) 7. Milking facility, Batajnički drum 14km, Belgrade (1879)

B) Main equipment:

1) Harvester (Zmaj-143) 2) Tractor (MTZ 1221) 3) Tractor (2 vehicles, Sami Titan 190BN 314) 4) Rotary mower (KRON A.M. 323S) 5) Sprinkler (Agromax) 6) Milking facility equipment 7) Equipment for milk production

C) Land (m²): *Socially-owned land (9187435): Construction land: (1154163), Agricultural land: (8033272)
State-owned land (26473182)**

**Note: The registration procedure referring to the change of user of the state-owned land from the privatization entity-PIK Zemun, Belgrade, to the Ministry of agriculture, forestry and water management is in progress before the Republic Geodetic Institution RoS and competent land registration department of the Municipal Court in Zemun, on the basis of requests submitted to the stated Ministry. The land stated in the request of the Ministry of agriculture, forestry and water management is not the subject of privatization.*

Balance sheet per year:	2006		2007	
	RSD	***EUR	RSD	***EUR
Shown in:				
Total operating revenues	76.224.000	906.296	87.996.000	1.100.445
Total operating expenses	213.338.000	2.536.567	176.912.000	2.212.396

Main products/services: 1) Agricultural products 2) Cattle breeding products 3) Milk and milk products

Total number of employees: 152; **of which BS/BA:** 17