

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

Those who are interested may purchase the auction documents at the price of: **CSD 40.000**, after the receipt of 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 may be collected at the following address:

Privatization Agency, Belgrade, 23 Terazije St., on working days from 09:00-17:00, in period from 01.08.2006 until 19.09.2006.

CLOSING DATE FOR THE APPLICATION SUBMISSION is 20.09.2006, by 17:00.

Filled application, which is a part of the auction documents, with the signed draft of the Sales-Purchase Agreement and the deposit payment evidence, is to be submitted in a sealed envelope with the inscription: "THE APPLICATION FOR PARTICIPATION IN PUBLIC AUCTION 280906, Privatization Agency, Belgrade, 23 Terazije Str".

IF THERE IS NAME OF THE SUBJECT UNDERGOING PRIVATIZATION ON THE ENVELOPE, OR FULL AUCTION CODE, THE APPLICATION MAY BE REJECTED.

THE AUCTION SHALL BE HELD ON 28 September 2006.

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

28.09.2006, from 09:00-10:50.

Means of payment may 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 (28.09.2006), issued to the natural persons, who are citizens of the Republic of Serbia. If the participant has applied only for the second bidding, means of payment may be even the state bonds based on the unpaid foreign currency savings of citizens, which are not to be due until the date of the capital sale (28.09.2006), 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 become 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 closing date for the application submission if necessary, but also to inform the interested parties on those changes, if any, until the auction date at the latest.

The site visit shall be carried out after the signing the Agreement on Confidentiality in period from 01.08.2006 until 19.09.2006, after previously the timetable with the Privatization Agency has been established, phone: 011/3020-804; 011/3020-803 or by fax: 011/3020-881.

* The entire estimated capital value to be privatized, stated in EUR, was calculated according to the official exchange rate on 01.08.2006.

** The total business 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 through the public auction method is carried out by the Auction Commission, which is to be established by the Privatization Agency. The Commission supervises the capital sale by the auction, registers the auction participants, pronounces the auction for unsuccessful, signs the minutes and performs other activities of importance for the auction performance in accordance with the Law. The conditions for the auction to be carried out are met, if at least one person has obtained the status of the 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, on which occasion 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 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 immediately afterwards opens the second bidding, on which occasion even undue state bonds can be the means of payment. Those who have applied for the second bidding can participate in, as well as the participants in the first bidding, in case it has been declared unsuccessful. If in the second bidding participate more than one person, 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 parties even after the third call, the auction is declared unsuccessful, and the participants lose the right to be brought back 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 at the same time 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 to be privatized: Ugoditeljsko turističko akcionarsko društvo SLOGA, UŽICE

Auction Sale Code: 280906-1364p

Official ID number of the Subject: **07258682**

Field of work: **Restaurants**

The entire estimated capital value to be privatized amounts to: **CSD 638.316.000** or ***EUR 7.690.546**, representing **68,6 %** of the total subject capital.

Deposit for auction participation: **CSD 51.065.000** or ***EUR 615.244**

Initial auction sale price: **CSD 102.131.000**

Minimum of obligatory investments into the subject undergoing privatization amount to: **CSD 39.728.000**

The most important property of the subject to be privatized

A) Buildings – main facilities (m²):

1. Hotel "Palas" (2215) 2. Restaurant "Zelena pijaca" (121) 3. "Gradska kavana" (1021) 4. Restaurant "Breza" (367) 5. Restaurant "Bagrem" (316) 6. Hotel "Zlatibor" (10198) 7. Restaurant "Rakijski pijac" (268) 8. Building "Krčma kod Ere" (107) 9. Working community – part of the building (271) 10. Warehouse of the working building (302)

B) The most important equipment:

1) Complete hotel equipment 2) Equipment for catering establishments 3) Office equipment 4) Small furniture and fittings

C) Land (m²):

Balance sheet per year:	2004		2005		
	Shown in:	CSD	**EUR	CSD	**EUR
Total business revenues		51.268.000	702.282	53.517.000	645.506
Total business expenses		120.545.000	1.651.256	130.059.000	1.568.734

Main products/ services: 1) Catering trade – sale of food and drinks 2) Accommodation of tourists

Total number of employees: 222; **of which BS/ BA:** 4

2) Basic information on the subject to be privatized: Trgovinsko preduzeće ZAPADNA MORAVA DD, TRSTENIK

Auction Sale Code: 280906-1687p

Official ID number of the Subject: **07154712**

Field of work: **General goods retail trade**

The entire estimated capital value to be privatized amounts to: **CSD 325.278.000** or ***EUR 3.919.013**, representing **69,202 %** of the total subject capital.

Deposit for auction participation: **CSD 26.022.000** or ***EUR 313.521**

Initial auction sale price: **CSD 52.045.000**

Minimum of obligatory investments into the subject to be privatized amount to: **CSD 24.740.000**

The most important property of the subject undergoing privatization

A) Buildings – main facilities (m²):

1. Warehouse no. 1 (1800) 2. Warehouse no. 2 (1800) 3. Nourishment warehouse with ramps and administration building (2708) 4. Administration building 3 (630) 5. Canteen (263) 6. Garage (497) 7. Shop "Brezovica" (101) 8. Shop "Tesla" (124) 9. Shop "Stari Trstenik" (60) 10. Shop "Bresno Polje" (52) 11. Shop "Prva Petoletka" (200)

B) The most important equipment:

1) Equipment for retail network 2) Office furniture 3) Computers 4) Electronical cash–registers 5) Forklift truck

C) Land (m²): *Construction land: (77484) ((8292) – owned by state; (69192) – socially-owned)*

Balance sheet per year:	2004		2005		
	Shown in:	CSD	**EUR	CSD	**EUR
Total business revenues		70.149.000	960.919	39.879.000	481.009
Total business expenses		101.526.000	1.390.729	89.392.000	1.078.220

Main products/ services: 1) General goods retail trade

Total number of employees: 189; **of which BS/ BA:** 4

3) Basic information on the subject to be privatized: Društveno preduzeće za niskogradnju NISKOGRADNJA, PIROT

Auction Sale Code: 280906-1696p

Official ID number of the Subject: **07349297**

Field of work: **Low building–construction of roads, communications and runways**

The entire estimated capital value to be privatized amounts to: **CSD 42.800.000** or ***EUR 515.661**, representing **70 %** of the total subject capital.

Deposit for auction participation: **CSD 2.140.000** or ***EUR 25.783**

Initial auction sale price: **CSD 4.280.000**

Minimum of obligatory investments into the subject to be privatized amount to: **CSD 11.893.000**

The most important property of the subject undergoing privatization

A) Buildings – main facilities (m²):

1. Administration building (498) 2. Two workshops with a warehouse (163) 3. Canteen with an office–holder (119) 4. Stilling basin of screening plant with a water space – holder (415)

B) The most important equipment:

1) Automatic base with three reservoirs (up to 100 T) 2) Screening plant with bin (Vibrating board 20m³) 3) Paver–finisher (Titan 260S) 4) Loader (ULT 160 S) 5) Trucks (Dizel 220 KS)

C) Land (m²): *Construction land: (28172 (14180 – socially-owned); (13992 – owned by state)*

Balance sheet per year:	2004		2005	
	Shown in:	CSD	**EUR	CSD

Total business revenues	60.774.000	832.498	45.528.000	549.145
Total business expenses	61.382.000	840.826	60.715.000	732.327

Main products/ services: 1) Excavations 2) Gravel layers 3) Curbs 4) Production of asphalt

Total number of employees: 74; of which BS/ BA: 3

4) Basic information on the subject to be privatized: Društveno preduzeće za poljoprivrednu proizvodnju, preradu i promet EKO-HRANA, BOLJEVAC

Auction Sale Code: 280906-1699p

Official ID number of the Subject: **17032151**

Field of work: **Miscellaneous agriculture**

The entire estimated capital value to be privatized amounts to: **CSD 158.255.000** or ***EUR 1.906.679**, representing **70 %** of the total subject capital.

Deposit for auction participation: **CSD 12.660.000** or ***EUR 152.534**

Initial auction sale price: **CSD 25.321.000**

Minimum of obligatory investments into the subject to be privatized amount to: **CSD 1.758.000**

The most important property of the subject undergoing privatization

A) Buildings – main facilities (m²):

1. Food industry facility (2591) 2. Piggery (715) 3. Administration building (249) 4. Stall 1,2 and 3 (2607) 5. Farm (824) 6. Basins of the fish pond 1,2,3,4 and 5 (2464)

B) The most important equipment:

1) Passenger vehicle (Lada Niva) 2) Equipment for egg-laying hens 3) Mixing device 4) Binocular microscope 5) PC (Pentium) 6) Tractor (IMT 5270)

C) Land (m²): *Construction land: (106102) – socially-owned; Agricultural land: (18967921 ((13709378) – owned by state; (5258543) – socially-owned); Wood area (1132562) – socially-owned; Other land (49428) – socially-owned*

Balance sheet per year:	2004		2005		
	Shown in:	CSD	**EUR	CSD	**EUR
Total business revenues		1.695.000	23.219	1.498.000	18.068
Total business expenses		5.565.000	76.231	6.370.000	76.833

Main products/ services: 1) Firewood 2) Wheat 3) Rainbow trout 4) Wheat 5) Charcoal wood

Total number of employees: 32; of which BS/ BA: 1