

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

The 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., 09:00–17:00, in the period from 01.08.2007 until 04.09.2007.

DEADLINE FOR SUBMISSION OF APPLICATIONS IS 05.09.2007, UNTIL 17:00.

The right to submit an application for participation in auctions have legal entities and individuals who fulfill the conditions specified by the Articles 41, 42, 97, 98 and 99 of the Radio Diffusion Law («Official Gazette» of the RS» no. 42/02, 97/04, 76/05, 79/05, 62/06, 85/06 and 86/06) and by the Article 5 of the Code on the method of privatization of radio and TV stations in local and regional communities («Official Gazette of the RS» no. 51/05 and 34/07)

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 with inscription: "THE APPLICATION FOR PARTICIPATION IN PUBLIC AUCTION 130907, Privatization Agency, Belgrade, 23 Terazije St".

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

THE AUCTION WILL BE HELD ON: 13.09.2007.

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:

13.09.2007, 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 (13.09.2007) 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 (13.09.2007) 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 has 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 the signing the Confidentiality Agreement in the period from 01.08.2007 to 04.09.2007, at the time previously established by the Privatization Agency, tel: 011/3020-804; 011/3020-803 or fax: 011/3020-881.

* The total estimated capital value to be privatized, stated in EUR, was calculated according to the official exchange rate on 25.07.2007.

** 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

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 entity undergoing privatization: Public enterprise RADIO-TELEVIZIJA VRANJE, VRANJE

Auction Sale Code: 130907-2000

Official ID number of the Entity: **07285531**

Field of work: **Radio and TV broadcasting**

The entire estimated capital value to be privatized amounts to: **RSD 12.081.000** or ***EUR 149.773**, which is **70 %** of the total entity capital.

Deposit for participation in the auction: **RSD 1.208.000** or ***EUR 14.977**

Initial price at the auction sale: **RSD 2.416.000**

Minimum obligatory investments into the entity to be privatized amount to: **RSD 2.607.000**

The most important assets of the entity to be privatized

A) Buildings – main facilities (m²):

1. Prefabricated facility – non-registered (32) 2. Facility on Pljačkovica – non-registered (14) 3. News-stand – non-registered (5)

B) Main equipment:

1) Transmitter (2 items, UHFTV 20W) 2) Camera (Sony DSR 300P) 3) Radio and TV equipment 4) Digital video (5 items, DSR 30 and 40p) 5) Transmitting system

C) Land (m²):

Balance sheet per year:

Shown in:	2005		2006	
	RSD	**EUR	RSD	**EUR
Total business revenues	29.963.000	361.405	32.366.000	384.828
Total business expenses	29.932.000	361.031	32.535.000	386.838

Main products/ services: 1) Radio program 2) TV program 3) Advertising services 4) Classified ads and commercials

Total number of employees: 52; of which **BS/ BA:** 16

2) Basic information on the entity undergoing privatization: Public enterprise RADIO TELEVIZIJA ČUPRIJA, ČUPRIJA

Auction Sale Code: 130907-2001

Official ID number of the Entity: **06876331**

Field of work: **Radio and TV broadcasting**

The entire estimated capital value to be privatized amounts to: **RSD 537.000** or ***EUR 6.664**, which is **70 %** of the total entity capital.

Deposit for participation in the auction: **RSD 27.000** or ***EUR 332**

Initial price at the auction sale: **RSD 54.000**

Minimum obligatory investments into the entity to be privatized amount to: **RSD 20.000**

The most important assets of the entity to be privatized

A) Buildings – main facilities (m²):

B) Main equipment:

1) Camera (Panasonic M 9000) 2) Computer (3 items, Pentium 4) 3) PC system (2 items, 720 PT) 4) Switchboard (215 Panasonic)

C) Land (m²):

Balance sheet per year:

Shown in:	2005		2006	
	RSD	**EUR	RSD	**EUR
Total business revenues	13.295.000	160.360	17.478.000	207.812
Total business expenses	13.336.000	160.855	17.444.000	207.407

Main products/ services: 1) Commercials

Total number of employees: 46; of which **BS/ BA:** 3

3) Basic information on the entity undergoing privatization: Public enterprise RADIO LESKOVAC, LESKOVAC

Auction Sale Code: 130907-2002

Official ID number of the Entity: **07207255**

Field of work: **Radio and TV broadcasting**

The entire estimated capital value to be privatized amounts to: **RSD 1.486.000** or ***EUR 18.424**, which is **70 %** of the total entity capital.

Deposit for participation in the auction: **RSD 149.000** or ***EUR 1.842**

Initial price at the auction sale: **RSD 297.000**

Minimum obligatory investments into the entity to be privatized amount to: **RSD 786.000**

The most important assets of the entity to be privatized

A) Buildings – main facilities (m²):

1. Office building – right to use (566) 2. CT transmitter – right to use (39)

B) Main equipment:

1) Transmitter (5 items, Iritel, Gates) 2) Mixette (3 items, Oxigen) 3) Computer (15 items, Pentium 4) 4) Link (Elca)

C) Land (m²): *Total land: (9493); Construction land: (9493) – state owned;*

Balance sheet per year:

Shown in:	2005		2006	
	RSD	**EUR	RSD	**EUR
Total business revenues	13.014.000	156.971	14.921.000	177.409
Total business expenses	14.121.000	170.323	14.826.000	176.280

Main products/ services: 1) Radio program 2) Advertising services 3) Publishing activities 4) Art, literature and theatre works 5) Market research and public opinion poll 6) Radio and TV sets and devices 7) Other business activities

Total number of employees: 39; of which **BS/ BA:** 12

