

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 on weekdays in the period from 10.10.2007 until 07.11.2007.

DEADLINE FOR SUBMISSION OF APPLICATIONS IS 08.11.2007, BY 16:30.

The right to submit an application for participation in auctions have all legal entities and individuals if they fulfill the requirements provided by the Articles 41, 42, 97, 98 and 99 of the Radio Diffusion Law («Official Gazette» of the RS no-s. 42/02, 97/04, 76/05, 79/05, 62/06, 85/06 and 86/06) and by the Article 5 of the Code Of Rules 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 161107, Privatization Agency, Belgrade, 23 Terazije St, 5th floor".
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: 16.11.2007

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:
16.11.2007, 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 (16.11.2007) 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 (16.11.2007) 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 10.10.2007 to 07.11.2007, 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 03.10.2007.*

*** 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 KRAJINA, NEGOTIN

Auction Sale Code: 161107-2037p

Official ID number of the Entity: **07279248**

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

The entire estimated capital value to be privatized amounts to: **RSD 1.381.000** or ***EUR 17.559**, which is **70 %** of the total entity capital.

Deposit for participation in the auction: **RSD 69.000** or ***EUR 878**

Initial price at the auction sale: **RSD 138.000**

Minimum obligatory investments into the entity undergoing privatization amounts to: **RSD 200.000**

Main property of the entity undergoing privatization

A) Buildings – main facilities (m²):

1. Administration building – user (291) 2. Relay station – right to use (6) 3. Small house with the CT transmitter – right to use (77)

B) Main equipment:

1) Mini dv camera with accessories (GYDV 300 E) 2) Computers with the license (Pentium IV) 3) Mini dv video recorder (SRVS 300 E) 4) DVD recorder (Panasonic) 5) Audio mixette (Jamaha MG164)

C) Land (m²): *Entire land: (3125); Agricultural land: (2390) – state owned;*

Balance sheet per year:	2005		2006		
	Shown in:	RSD	**EUR	RSD	**EUR
Total business revenues		15.624.000	188.452	16.685.000	198.383
Total business expenses		15.246.000	183.893	15.761.000	187.397

Main products/services: 1) Informing services 2) Advertising services

Total number of employees: 39; **of which BS/BA:** 8

2) Basic information on the entity undergoing privatization: Public informing enterprise SLOBODA, PIROT

Auction Sale Code: 161107-2110

Official ID number of the Entity: **07131283**

Field of work: **Newspaper publishing**

The entire estimated capital value to be privatized amounts to: **RSD 7.866.000** or ***EUR 100.038**, which is **70 %** of the total entity capital.

Deposit for participation in the auction: **RSD 787.000** or ***EUR 10.004**

Initial price at the auction sale: **RSD 1.573.000**

Minimum obligatory investments into the entity undergoing privatization amounts to: **RSD 1.725.000**

Main property of the entity undergoing privatization

A) Buildings – main facilities (m²):

1. Office space-right to use (102) 2. Facility «Crni Vrh» – right to use (3) 3. Facility «Barje» (10m) – co-user (11)

B) Main equipment:

1) Passenger vehicle (Daewoo Lanos S) 2) Air-conditioner (San Lux) 3) Passenger vehicle (WW Pasat) 4) PC equipment (Pentium IV) 5) Digital camera (HP ph smart 935)

C) Land (m²): *Entire land: (160); Construction land: (16) – state owned (co-user); Agricultural land: (144) – state owned (right to use);*

Balance sheet per year:	2005		2006		
	Shown in:	RSD	**EUR	RSD	**EUR
Total business revenues		31.449.000	379.329	26.130.000	310.683
Total business expenses		30.463.000	367.436	23.640.000	281.077

Main products/services: 1) Newspaper publishing

Total number of employees: 10; **of which BS/BA:** 7

3) Basic information on the entity undergoing privatization: Public enterprise for informing and broadcasting RADIO LJUBOVIIJA, LJUBOVIIJA

Auction Sale Code: 161107-2111

Official ID number of the Entity: **17506129**

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

The entire estimated capital value to be privatized amounts to: **RSD 97.000** or ***EUR 1.239**, which is **70 %** of the total entity capital.

Deposit for participation in the auction: **RSD 10.000** or ***EUR 124**

Initial price at the auction sale: **RSD 19.000**

Minimum obligatory investments into the entity undergoing privatization amounts to: **RSD 24.000**

Main property of the entity undergoing privatization

A) Buildings – main facilities (m²):

B) Main equipment:

1) Receiving aerial (Monolit) 2) Monitor (Samsung) 3) Dictaphone (Panasonic) 4) Microset FM transmitter (88-108) 5) Link receiver (Monolit)

C) Land (m²):

Balance sheet per year:	2005		2006		
	Shown in:	RSD	**EUR	RSD	**EUR
Total business revenues		1.518.000	18.310	2.066.000	24.565
Total business expenses		1.576.000	19.009	1.841.000	21.889

Main products/services: 1) Informing 2) Releasing of sound recordings 3) Reproduction of sound recordings 4) Advertising

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

4) Basic information on the entity undergoing privatization: Public enterprise RADIO DRINA, MALI ZVORNIK

Auction Sale Code: 161107-2112

Official ID number of the Entity: 17315811

Field of work: Radio and TV broadcasting

The entire estimated capital value to be privatized amounts to: RSD 1.556.000 or *EUR 19.791, which is 70 % of the total entity capital.

Deposit for participation in the auction: RSD 156.000 or *EUR 1.979

Initial price at the auction sale: RSD 311.000

Minimum obligatory investments into the entity undergoing privatization amounts to: RSD 330.000

Main property of the entity undergoing privatization

A) Buildings – main facilities (m²):

B) Main equipment:

1) Transmitter 2) Link 3) Computer (3 pieces) 4) Mixette 5) Air-conditioner

C) Land (m²):

Balance sheet per year:	2005		2006		
	Shown in:	RSD	**EUR	RSD	**EUR
Total business revenues		1.743.000	21.024	2.083.000	24.767
Total business expenses		1.933.000	23.315	2.057.000	24.458

Main products/services: 1) Information and advertisements 2) Broadcasting and editing of commercials

Total number of employees: 4; of which BS/BA: 0

5) Basic information on the entity undergoing privatization: Public enterprise RADIO TELEVIZIJA SOKOBANJA, SOKOBANJA

Auction Sale Code: 161107-2113

Official ID number of the Entity: 07254237

Field of work: Radio and TV broadcasting

The entire estimated capital value to be privatized amounts to: RSD 2.157.000 or *EUR 27.434, which is 70 % of the total entity capital.

Deposit for participation in the auction: RSD 216.000 or *EUR 2.743

Initial price at the auction sale: RSD 431.000

Minimum obligatory investments into the entity undergoing privatization amounts to: RSD 1.395.000

Main property of the entity undergoing privatization

A) Buildings – main facilities (m²):

1. Office space (84) 2. Medium wave transmitter facility (32) 3. Garage (25)

B) Main equipment:

1) TV tower with small house (R RAD) 2) TV transmitter (DAPRECO 50) 3) Studio board-stage scenery 4) Heating/electric boiler (EKOPAN EK 24) 5) Computer (SIEMENS)

C) Land (m²): Entire land: (451); Construction land: (451) – state owned;

Balance sheet per year:	2005		2006		
	Shown in:	RSD	**EUR	RSD	**EUR
Total business revenues		9.037.000	109.002	10.361.000	123.191
Total business expenses		9.037.000	109.002	10.399.000	123.643

Main products/services: 1) News 2) Commercial programme

Total number of employees: 23; of which BS/BA: 2