

In accordance with Article 38 of the Law on Privatization ("Official Gazette of the RS", nos. 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" nos. 52/05 and 91/07), the Privatization Agency announces:

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, 09:00–16:30, from 14.11.2007 to 05.12.2007.

DEADLINE FOR SUBMISSION OF APPLICATIONS IS 06.12.2007 UNTIL 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 141207, Privatization Agency, Belgrade, 23 Terazije St, 5th floor".

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

THE AUCTION WILL BE HELD ON: 14.12.2007.

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

14.12.2007, 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 (14.12.2007.) 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 (14.12.2007.) 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 is 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 signing the Confidentiality Agreement in the period from 14.11.2007 to 05.12.2007 at the time previously established by the Privatization Agency, tel: +38111/3020-804; 38111/3020-803 or fax: 38111/3020-881.

* *The total estimated capital value to be privatized, stated in EUR, was calculated according to the official exchange rate on 13.11.2007.*

** *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 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 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: Socially-owned enterprise NOVOGRADNJA, VRANJE

Auction Sale Code: 141207-1347p

Official ID number of the Entity: **07104952**

Field of work: **Construction and specialized works**

The most important assets of the entity to be privatized

A) Buildings – main facilities (m²):

1. Administrative building – tenure holder (1285) 2. Old reinforcing works – proprietary right (1550) 3. Boiler house with equipment – proprietary right (549) 4. Storage place – tenure holder (780) 5. Residential barracks – tenure holder (419)

The entire estimated capital value to be privatized amounts to: **RSD 101.737.000 or *EUR 1.308.539** which is **70 %** of the entire capital of the entity.

Deposit for participation in the auction: **RSD 5.087.000 or *EUR 65.427**

Initial price at the auction sale: **RSD 10.174.000**

Minimum obligatory investments into the entity to be privatized amounts to: **RSD 20.143.000**

B) Main equipment:

1) Dredger (A-600/B) 2) Automobile (Skala Poly LC) 3) Tractor (Rakovica 60) 4) Silos (8 komada) (30-200 tons) 5) Concrete plant (AB-35/Z) 6) Concrete plant with a skip (ABC 18)

C) Land (m²): *Entire land: (91556); construction land: ((91556) (65.680) – socially owned, (25.876) – state owned)*

Balance sheet per year:

Shown in:	2005		2006	
	RSD	**EUR	RSD	**EUR
Total business revenues	59.395.000	716.405	35.176.000	418.239
Total business expenses	93.859.000	1.132.100	46.521.000	553.130

Main products/ services: 1) construction land – building construction 2) Concrete 3) Facade tarpaulin 4) Flat facade tarpaulin 5) Concrete slabs

Total number of employees: 108; **of which BS/ BA:** 1

2) Basic information on the entity undergoing privatization: Socially-owned catering trade enterprise BOR, BOR

Auction Sale Code: 141207-2051p

Official ID number of the Entity: **07314094**

Field of work: **Restaurants**

The most important assets of the entity to be privatized

The entire estimated capital value to be privatized amounts to: **RSD 254.087.000 or *EUR 3.268.057** which is **70 %** of the entire capital of the entity.

Deposit for participation in the auction: **RSD 20.327.000 or *EUR 261.445**

Initial price at the auction sale: **RSD 40.654.000**

Minimum obligatory investments into the entity to be privatized amounts to: **RSD 1.849.000**

A) Buildings – main facilities (m²):

1. Hotel "Serbia" (3266) 2. Restaurant "Nova Tržnica" (1159) 3. Restaurant "Stara Tržnica" (927) 4. Sweet shop "Korzo" (157) 5. Tavern "Rudar" (167) 6. Warehouse space (274)

B) Main equipment:

1) Tourism and catering trade equipment in the "Srbija" Hotel 2) Tourism and catering trade equipment in the facility "Rudar" 3) Tourism and catering trade equipment in the facility "Stara Tržnica" 4) Tourism and catering trade equipment in the facility "Nova Tržnica" 5) Tourism and catering trade equipment in the facility "Balkan" 6) Rolling pool

C) Land (m²): *Entire land: (3348); construction land: (3348) – state owned*

Balance sheet per year:	2005		2006		
	Shown in:	RSD	**EUR	RSD	**EUR
Total business revenues		38.209.000	460.866	36.257.000	431.092
Total business expenses		44.359.000	535.045	46.164.000	548.885

Main products/ services: 1) Accommodation service 2) Catering trade service

Total number of employees: 117; of which BS/ BA: 2

3) Basic information on the entity undergoing privatization: Socially-owned enterprise for production of pharmaceutical and chemical products FARMAKOS, BEOGRAD

Auction Sale Code: 141207-2096p

Official ID number of the Entity: **09005668**

Field of work: **Production of pharmaceuticals**

The entire estimated capital value to be privatized amounts to: **RSD 180.512.000 or *EUR 2.321.737** which is **70 %** of the entire capital of the entity.

Deposit for participation in the auction: **RSD 14.441.000 or *EUR 185.739**

Initial price at the auction sale: **RSD 28.882.000**

Minimum investicija u subjekt privatizacije iznosi: **RSD 830.000**

The most important assets of the entity to be privatized

A) Buildings – main facilities (m²):

1. Business premises, Beograd, Kneginje Zorke 104 (158) 2. Pharmaceutical plant, Prizren (4322) 3. Medical herb processing plant, Prizren (2220) 4. Store, Priština (101)

B) Main equipment:

1) Computer equipment 2) Office supplies 3) Laboratory equipment 4) Means of transportation

C) Land (m²): *Entire land: (80273); construction land: (80273)*

Balance sheet per year:	2005		2006		
	Shown in:	RSD	**EUR	RSD	**EUR
Total business revenues		17.370.000	209.512	19.831.000	235.789
Total business expenses		17.462.000	210.622	20.089.000	238.856

Main products/ services: 1) Medicines 2) Tea 3) Soaps and cosmetics

Total number of employees: 84; of which BS/ BA: 8

4) Basic information on the entity undergoing privatization: Socially-owned enterprise IKATERM for production of radiators and heating devices, BEOGRAD

Auction Sale Code: 141207-2100p

Official ID number of the Entity: **17308980**

Field of work: **Production of components and equipment for vehicles**

The entire estimated capital value to be privatized amounts to: **RSD 140.092.000 or *EUR 1.801.854** which is **70 %** of the entire capital of the entity.

Deposit for participation in the auction: **RSD 11.207.000 or *EUR 144.148**

Initial price at the auction sale: **RSD 22.415.000**

Minimum obligatory investments into the entity to be privatized amounts to: **RSD 8.719.000**

The most important assets of the entity to be privatized

A) Buildings – main facilities (m²):

1. Production hall I (3811) 2. Technical and general affair department (198) 3. Garage and tools warehouse (204) 4. Administrative building (316) 5. Compression station (147)

B) Main equipment:

1) Press 2) Hydraulic press 3) Fork lift truck 1500 kg 4) Pressings washing machine 5) Automobile (Yugo FLORIDA 1.4 Poly LC)

C) Land (m²): *Entire land: (13027); construction land: (13027) – state owned*

Balance sheet per year:	2005		2006		
	Shown in:	RSD	**EUR	RSD	**EUR
Total business revenues		73.234.000	883.327	13.616.000	161.893
Total business expenses		114.991.000	1.386.988	85.995.000	1.022.472

Main products/ services: 1) Water radiators 2) Oil radiators 3) Cooling systems 4) Heaters and heating devices 5) Overhaul and service

Total number of employees: 65; of which BS/ BA: 8

5) Basic information on the entity undergoing privatization: Limited Liability Company DVADESETPRVI MAJ AUTO KUĆA, BEOGRAD

Auction Sale Code: 141207-2104p

Official ID number of the Entity: **17064134**

Field of work: **Upkeep and repair of motor vehicles**

The entire estimated capital value to be privatized amounts to: **RSD 461.293.000** or ***EUR 5.933.126** which is **70 %** of the entire capital of the entity.

Deposit for participation in the auction: **RSD 36.903.000** or ***EUR 474.650**

Initial price at the auction sale: **RSD 73.807.000**

Minimum obligatory investments into the entity to be privatized amounts to: **RSD 20.546.000**

The most important assets of the entity to be privatized

A) Buildings – main facilities (m²):

1. Old hall of the car shop, Patrijarha Dimitrija 24, user (3538) 2. Annex to the old hall of the car shop, Patrijarha Dimitrija 24, user (1018) 3. New hall of the car shop, Patrijarha Dimitrija 24, user (8314) 4. Annex to the new hall of the car shop, Patrijarha Dimitrija 24, user (6407) 5. Service workshop in Mali Zvornik (568) 6. New hall of the service workshop in Mali zvornik (1251)

B) Main equipment:

1) Technical survey line 2) Technical survey line in Mali Zvornik 3) Exhaust measuring device (Boš) 4) Vechicel lacquer chamber (SOP Krško) 5) Compressor (Atlas Kopko)

C) Land (m²): *Entire land: (64652); construction land: (64652) – state owned*

Balance sheet per year:	2005		2006	
	RSD	**EUR	RSD	**EUR
Shown in:				
Total business revenues	21.342.000	257.421	34.246.000	407.181
Total business expenses	67.624.000	815.661	72.540.000	862.493

Main products/ services: 1) Upkeep of motor vehicles 2) Production of overhauled motors for motor vehicles 3) General mechanical works 4) Sale of motor vehicles 5) Sale of components for motor vehicles

Total number of employees: 67; **of which BS/ BA:** 6