

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-s. 52/05 and 91/07), 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., 5<sup>th</sup> floor, from 09:00 to 16:30, in the period from 21.11.2007 until 12.12.2007.

**DEADLINE FOR SUBMISSION OF APPLICATIONS IS 13.12.2007, BY 16:30.**

The right to submit an application for participation in Public 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-s. 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 marked with: "THE APPLICATION FOR PARTICIPATION IN PUBLIC AUCTION 211207, Privatization Agency, Belgrade, 23 Terazije St, 5<sup>th</sup> 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: 21.12.2007,**

at the address: **Privatization Agency, Belgrade, 23 Terazije St., 2<sup>nd</sup> floor, Large Hall**, at 11:00. Registration of the auction participants will be held on:  
**21.12.2007, 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 (21.12.2007) 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 (21.12.2007) 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 has 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 has been held.

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 of the Confidentiality Agreement in the period from 21.11.2007 until 12.12.2007, at the time previously agreed with the Privatization Agency, tel: (+381 11) 3020-842; (+381 11) 3020-803 or by fax: (+381 11) 3020-881.

\* The total estimated capital value to be privatized, stated in EUR, was calculated according to the official exchange rate on 16.11.2007.

\*\* 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

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 privatization entity: Public enterprise RADIO TELEVIZIJA KRAGUJEVAC, KRAGUJEVAC

**Auction sale code: 211207-2146**

Official ID number of the entity: 06875793

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

The entire estimated capital value to be privatized amounts to: **RSD 10.818.000** or **\*EUR 138.601**, which is **70 %** of the total entity capital.

**Deposit** for participation in the auction: **RSD 1.082.000** or **\*EUR 13.860**

**Initial price** at the auction sale: **RSD 2.164.000**

**Minimum obligatory investments** into the privatization entity amounts to: **RSD 8.578.000**

#### Main property of the privatization entity

##### A) Buildings – main facilities (m<sup>2</sup>):

1. Office building, 9 Branko Radičević St., Kragujevac – right to use (615) 2. Repair shop with the flat on the transmitter, in Jovanovac near Kragujevac– right to use (142) 3. Real estate on Žeželj – right to use (16) 4. Small house for generator – ownership (2)

##### B) Main equipment:

1) TV UHF transmitter (1000 WTX-100 ABE) 2) Cars (5 pieces) (Lada, Yugo Florida) 3) Cameras with accessories (11 pieces) 4) Video toaster (NEWTEK) 5) FM transmitter (2 pieces, IMTEL DF ME 2000) 6) FM link (10,9 GHZ 2xAUDIO)

**C) Land (m<sup>2</sup>):** *Entire land: (3785); Construction land: (3785) – state-owned;*

#### Balance sheet per year:

Shown in:	2005		2006	
	RSD	**EUR	RSD	**EUR
Total operating revenues	63.666.000	767.921	69.663.000	828.286
Total operating expenses	74.242.000	895.485	73.904.000	878.711

**Main products/services:** 1) News 2) Marketing and advertising

**Total number of employees:** 119; of which **BS/BA:** 20

### 2) Basic information on the privatization entity: Public enterprise RADIO-TELEVIZIJA ZAJEČAR, ZAJEČAR

**Auction sale code: 211207-2147**

Official ID number of the entity: 17431714

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

The entire estimated capital value to be privatized amounts to: **RSD 11.189.000** or **\*EUR 143.351**, which is **70 %** of the total entity capital.

**Deposit** for participation in the auction: **RSD 1.119.000** or **\*EUR 14.335**

**Initial price** at the auction sale: **RSD 2.238.000**

**Minimum obligatory investments** into the privatization entity amounts to: **RSD 1.148.000**

#### Main property of the privatization entity

##### A) Buildings – main facilities (m<sup>2</sup>):

1. Transmitting station (Kraljevica) – non-registered user (24) 2. Transmitting station (Veliki Izvor) – user (24)

##### B) Main equipment:

1) Car (Škoda Fabia combi) 2) TV link (4 pieces) (1 W 10,3-10,7GHz) 3) TV transmitter (2 pieces, UHF 300W, 1000W) 4) Camera (5 pieces, Sony DSR) 5) Camera (3 pieces, DV DSR-250P)

**C) Land (m<sup>2</sup>):** *Entire land: (6334); Construction land: (6334) – state-owned;*

#### Balance sheet per year:

Shown in:	2005		2006	
	RSD	**EUR	RSD	**EUR

Total operating revenues	50.684.000	611.336	55.316.000	657.702
Total operating expenses	47.881.000	577.527	49.476.000	588.265

**Main products/services:** 1) Broadcasting 2) Telecommunication 3) Advertising 4) Cinematography and video production 5) Data processing

**Total number of employees:** 95; of which BS/BA: 20

### 3) Basic information on the privatization entity: Public enterprise RADIO TELEVIZIJA MAJDANPEK, MAJDANPEK

**Auction sale code:** 211207-2148

Official ID number of the entity: **17185187**

Field of work: **Broadcasting**

The entire estimated capital value to be privatized amounts to: **RSD 1.197.000** or **\*EUR 15.335**, which is **70 %** of the total entity capital.

**Deposit** for participation in the auction: **RSD 120.000** or **\*EUR 1.534**

**Initial price** at the auction sale: **RSD 239.000**

**Minimum obligatory investments** into the privatization entity amounts to: **RSD 333.000**

#### Main property of the privatization entity

##### A) Buildings – main facilities (m<sup>2</sup>):

1. Facility on Starica – user (12)

##### B) Main equipment:

1) TV link (10 GHz) 2) Video recorder (AIVA) 3) Amplifier (50W Sky sat) 4) Computer (AGV-1321 Micro Tera) 5) Computer (IV 2,4 GHz Intel Pentium)

##### C) Land (m<sup>2</sup>):

Balance sheet per year:	2005		2006	
	Shown in:	RSD	**EUR	RSD
Total operating revenues	9.109.000	109.870	9.193.000	109.304
Total operating expenses	9.113.000	109.918	9.152.000	108.816

**Main products/services:** 1) Broadcasting 2) Sound and video recordings 3) Marketing

**Total number of employees:** 28; of which BS/BA: 1

### 4) Basic information on the privatization entity: Public news enterprise KNJAŽEVAC, KNJAŽEVAC

**Auction sale code:** 211207-2149

Official ID number of the entity: **07314051**

Field of work: **Broadcasting**

The entire estimated capital value to be privatized amounts to: **RSD 2.715.000** or **\*EUR 34.779**, which is **70 %** of the total entity capital.

**Deposit** for participation in the auction: **RSD 271.000** or **\*EUR 3.478**

**Initial price** at the auction sale: **RSD 543.000**

**Minimum obligatory investments** into the privatization entity amounts to: **RSD 2.131.000**

#### Main property of the privatization entity

##### A) Buildings – main facilities (m<sup>2</sup>):

##### B) Main equipment:

1) Camera (Sony DSR PD 170P) 2) Camera with bag and stand (Sony DSR PD 170P) 3) Radio and TV HDV (Sony M 15 E) 4) Computer (Pentium 4) 5) Radio link (400 MHz)

##### C) Land (m<sup>2</sup>):

Balance sheet per year:	2005		2006	
	Shown in:	RSD	**EUR	RSD
Total operating revenues	7.299.000	88.038	9.735.000	115.748
Total operating expenses	8.369.000	100.944	10.183.000	121.075

**Main products/services:** 1) Broadcasting of radio and TV program 2) Marketing

**Total number of employees:** 24; of which BS/BA: 2

### 5) Basic information on the privatization entity: Public enterprise RADIO VALJEVO, VALJEVO

**Auction sale code:** 211207-2150

Official ID number of the entity: **06121179**

Field of work: **Broadcasting**

The entire estimated capital value to be privatized amounts to: **RSD 29.866.000** or **\*EUR 382.647**, which is **70 %** of the total entity capital.

**Deposit** for participation in the auction: **RSD 3.584.000** or **\*EUR 45.918**

**Initial price** at the auction sale: **RSD 7.168.000**

**Minimum obligatory investments** into the privatization entity amounts to: **RSD 328.000**

#### Main property of the privatization entity

##### A) Buildings – main facilities (m<sup>2</sup>):

1. Medium wave radio facility (388) 2. Flat (30)

##### B) Main equipment:

1) Transmitter on Maljen 2) Transmitter in the studio 3) Passenger vehicle (3 vehicles, Zastava) 4) Computers with printers (Pentium IV) 5) Goods vehicle (Citroen, G 35) 6) Receivers (Struder) 7) Aerial system

##### C) Land (m<sup>2</sup>): *Entire land: (19782); Construction land: (19782) – state-owned*

Balance sheet per year:	2005		2006	
	Shown in:	RSD	**EUR	RSD

Total operating revenues	10.050.000	121.220	12.708.000	151.097
Total operating expenses	9.918.000	119.628	12.535.000	149.040

**Main products/services:** 1) Radio program 2) Advertising

**Total number of employees:** 29; **of which BS/BA:** 9

### 6) Basic information on the privatization entity: Public enterprise RADIO TV PODRINJE, LOZNICA

**Auction sale code:** 211207-2151

Official ID number of the entity: **07169868**

Field of work: **Broadcasting**

The entire estimated capital value to be privatized amounts to: **RSD 31.278.000** or **\*EUR 400.741**, which is **70 %** of the total entity capital.

**Deposit** for participation in the auction: **RSD 3.753.000** or **\*EUR 48.089**

**Initial price** at the auction sale: **RSD 7.507.000**

**Minimum obligatory investments** into the privatization entity amounts to: **RSD 3.408.000**

#### Main property of the privatization entity

##### A) Buildings – main facilities (m<sup>2</sup>):

1. Administration building, user (524) 2. Garage, user (31) 3. Transmitter facility, Runjani, user (105)

##### B) Main equipment:

1) Radio and TV equipment 2) Means of transportation 3) Passenger vehicle (Jugo Florida) 4) Land rover (Lada Niva) 5) Office equipment and furniture 6) IT equipment

**C) Land (m<sup>2</sup>):** *Entire land: (2298); Construction land: (498) – state-owned; Agricultural land: (1800) – socially-owned*

Balance sheet per year:	2005		2006	
	RSD	**EUR	RSD	**EUR
Shown in:				
Total operating revenues	24.383.000	294.101	23.945.000	284.704
Total operating expenses	21.290.000	256.794	23.819.000	283.206

**Main products/services:** 1) Radio – news program 2) Radio – entertainment and music 3) TV – news program 4) TV – entertainment and music 5) Marketing services

**Total number of employees:** 37; **of which BS/BA:** 11