

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 40000**, 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, 09:00–16:30, from 09.01.2008 to 20.02.2008.

DEADLINE FOR SUBMISSION OF APPLICATIONS IS 21.02.2008 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 290208, 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: 29.02.2008.

at the following 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: **29.02.2008, 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 (29.02.2008.) 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 (29.02.2008.) 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 21 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 09.01.2008 to 20.02.2008, at the time previously established by the Privatization Agency, tel: +38111/3020-842; +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 28.12.2007.*

** *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: Veterinary station TOPOLA, TOPOLA

Auction Sale Code: 290208-2130p

Official ID number of the Entity: **07123213**

Field of work: **Veterinary activities**

The entire estimated capital value to be privatized amounts to: **RSD 47.767.000 or *EUR 601.124** which is **70 %** of the entire capital of the entity.

Deposit for participation in the auction: **RSD 2.388.000 or *EUR 30.056**

Initial price at the auction sale: **RSD 4.777.000**

Minimum obligatory investments into the entity to be privatized amounts to: **RSD 7.146.000**

The most important assets of the entity to be privatized

A) Buildings – main facilities (m²):

1. Facility with veterinary surgery, Topola – user (1209) 2. Veterinary surgery, Natalinci – user (139) 3. Veterinary station building, Natalinci – user (124) 4. Surgery and garage, Donja Šatornja – user (154) 5. Building and a warehouse, Trnava – user (133) 6. Surgery, Belosavci – user (187) 7. Farm building I i II, Donja Šatornja – user (2822) 8. Poultry buildings I, II and III, Donja Trešnjevica – user (1520)

B) Main equipment:

1) Passenger vehicle (3) (Jugo 45) 2) Passenger vehicle (2) (Jugo 55) 3) Transporter (Hladnjača) 4) Transporter (Mercedes) 5) Farm equipment Donja Šatornja 6) Containers (5) 7) Generator

C) Land (m²): *Entire land: (35830) ; construction land: (19118) – state owned (14.601), – socially owned (4.517); agricultural land: (16712) – state owned (15.512), – socially owned (1.200);*

| Balance sheet per year: | 2005 | | 2006 | |
|-------------------------|------------|---------|------------|---------|
| | RSD | **EUR | RSD | **EUR |
| Shown in: | | | | |
| Total business revenues | 10.812.000 | 130.411 | 12.990.000 | 154.450 |
| Total business expenses | 16.468.000 | 198.632 | 24.404.000 | 290.161 |

Main products/ services: 1) Veterinary services

Total number of employees: 26; of which BS/ BA: 3

2) Basic information on the entity undergoing privatization: Building construction enterprise NOVI KOLEKTIV, BEOGRAD

Auction Sale Code: 290208-2145

Official ID number of the Entity: **07020643**

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

The entire estimated capital value to be privatized amounts to: **RSD 331.809.000 or *EUR 4.175.615** which is **70 %** of the entire capital of the entity.

Deposit for participation in the auction: **RSD 39.817.000 or *EUR 501.074**

Initial price at the auction sale: **RSD 79.634.000**

Minimum obligatory investments into the entity to be privatized amounts to: **RSD 7.650.000**

The most important assets of the entity to be privatized

A) Buildings – main facilities (m²):

1. Administrative building, Narodnih Heroja 30, Novi Beograd (332) 2. Administrative building, Blok 25 – Highway Novi Beograd (348) 3. Canteen and sanitary block, Blok 25 – highway, Novi Beograd (313) 4. Workshop, Blok 25 – Highway, Novi Beograd (606) 5. Warehouse, Blok 25 – Highway, Novi Beograd (650)

B) Main equipment:

1) Construction machinery 2) Groundwater reducing plant

C) Land (m²): *Entire land: (38264) ; construction land: (38264) – state owned;*

| Balance sheet per year: | 2005 | 2006 |
|-------------------------|------|------|
|-------------------------|------|------|

| Shown in: | RSD | **EUR | RSD | **EUR |
|-------------------------|------------|---------|------------|---------|
| Total business revenues | 2.483.000 | 29.949 | 1.448.000 | 17.217 |
| Total business expenses | 14.950.000 | 180.323 | 23.394.000 | 278.152 |

Main products/ services: 1) Rough construction works and specific civil engineering works 2) Other specialized construction works

Total number of employees: 84; of which BS/ BA: 2

3) Basic information on the entity undergoing privatization: Socially-owned enterprise for trade and services SINDI, VLADIČIN HAN

Auction Sale Code: 290208-2153p

Official ID number of the Entity: 06590365

Field of work: **Non-specialized wholesale**

The entire estimated capital value to be privatized amounts to: **RSD 132.000 or *EUR 1.664** which is **70 %** of the entire capital of the entity.

Deposit for participation in the auction: **RSD 7.000 or *EUR 83**

Initial price at the auction sale: **RSD 13.000**

Minimum obligatory investments into the entity to be privatized amounts to: **RSD 14.000**

The most important assets of the entity to be privatized

A) Buildings – main facilities (m²):

B) Main equipment:

1) Telephone 2) Vacuum cleaner (2 komada)

C) Land (m²):

Balance sheet per year:

| Shown in: | 2005 | | 2006 | |
|-------------------------|-----------|--------|-----------|--------|
| | RSD | **EUR | RSD | **EUR |
| Total business revenues | 2.449.000 | 29.539 | 2.516.000 | 29.915 |
| Total business expenses | 2.350.000 | 28.345 | 2.421.000 | 28.785 |

Main products/ services: 1) Trade in office supplies and stationery

Total number of employees: 2; of which BS/ BA: 1

4) Basic information on the entity undergoing privatization: Limited Liability Company TREM for catering trade, tourism and commerce, NIŠ

Auction Sale Code: 290208-2192

Official ID number of the Entity: 07629150

Field of work: **Hotels and motels with restaurants**

The entire estimated capital value to be privatized amounts to: **RSD 315.988.000 or *EUR 3.976.529** which is **37,912 %** of the entire capital of the entity.

Deposit for participation in the auction: **RSD 37.919.000 or *EUR 477.183**

Initial price at the auction sale: **RSD 75.837.000**

Minimum obligatory investments into the entity to be privatized amounts to: **RSD 4.859.000**

The most important assets of the entity to be privatized

A) Buildings – main facilities (m²):

1. Hotel "Niš", Čanž (4766) 2. Hotel "Trem", Donji Dušnik (1260) 3. Restaurant "Sičevo" (402) 4. Hotel – bungalows, Kamenički Vis (1350) 5. Administrative building, Niš (414)

B) Main equipment:

1) Hotel equipment 2) Kitchen equipment 3) Cash registers 4) Office equipment 5) Computer equipment 6) Restaurant

C) Land (m²): *Entire land: (10762); construction land: (10297) – socially owned (8.810); – state owned (1.487); agricultural land: (465) – socially owned;*

Balance sheet per year:

| Shown in: | 2005 | | 2006 | |
|-------------------------|------------|---------|------------|---------|
| | RSD | **EUR | RSD | **EUR |
| Total business revenues | 25.503.000 | 307.610 | 26.867.000 | 319.446 |
| Total business expenses | 32.437.000 | 391.246 | 35.210.000 | 418.643 |

Main products/ services: 1) Pension services 2) Sale of food 3) Retail trade in drinks 4) Agency commissions

Total number of employees: 41; of which BS/ BA: 0

5) Basic information on the entity undergoing privatization: Socially-owned enterprise for production of construction elements FAGREM, DONJI ADROVAC

Auction Sale Code: 290208-2195

Official ID number of the Entity: 07153708

Field of work: **Production of tiles and clay bricks**

The entire estimated capital value to be privatized amounts to: **RSD 11.236.000 or *EUR 141.401** which is **70 %** of the entire capital of the entity.

Deposit for participation in the auction: **RSD 1.348.000 or *EUR 16.968**

Initial price at the auction sale: **RSD 2.697.000**

Minimum obligatory investments into the entity to be privatized amounts to: **RSD 190.000**

The most important assets of the entity to be privatized

A) Buildings – main facilities (m²):

1. Administrative building (200) 2. Sawmill (256) 3. Workshop (536) 4. Canteen (19) 5. Concrete plateau 2870)

B) Main equipment:

1) Mould (B – 20) 2) Mould (NBB 20) 3) Drill (HSV – 2000) 4) "Schubler" device 5) Electric motor 6) Transporter

C) Land (m²): *Entire land: (96537) ; Construction land: (96537) (74872) – state owned, (21665) – socially owned;*

| Balance sheet per year: | | 2005 | | 2006 | |
|-------------------------|-----------|--------|-----------|--------|--------|
| Shown in: | RSD | **EUR | RSD | **EUR | **EUR |
| Total business revenues | 3.151.000 | 38.006 | 4.932.000 | 58.641 | 58.641 |
| Total business expenses | 5.071.000 | 61.165 | 7.553.000 | 89.804 | 89.804 |

Main products/ services: 1) Timber 2) Slag blocks 3) Cement sacks 4) ransport of goods

Total number of employees: 14; **of which BS/ BA:** 1

6) Basic information on the entity undergoing privatization: Socialy-owned enterprise for production and trade SJENICA, SJENICA

Auction Sale Code: 290208-2196

Official ID number of the Entity: 07192509

Field of work: **Non-specialized retail trade in food**

The entire estimated capital value to be privatized amounts to: **RSD 60.976.000 or 767.347 *EUR** which is **70 %** of the entire capital of the entity.

Deposit for participation in the auction: **RSD 7.317.000 or *EUR 92.082**

Initial price at the auction sale: **RSD 14.634.000**

Minimum obligatory investments into the entity to be privatized amounts to: **RSD 1.343.000**

The most important assets of the entity to be privatized

A) Buildings – main facilities (m²):

1. Warehouses (976) 2. Store 19 (273) 3. Store 61 (12) 4. Store 40 (185) 5. Store16 (540) 6. Store 4 (235)

B) Main equipment:

1) Bakery equipment 2) Display refrigerator 3) Refrigerator lorry (ZASTAVA FURGON) 4) Bread transport vehicle 5) Office equipment

C) Land (m²): *Entire land: (14738) ; construction land: (13591) – state owned; agricultural land: (1147) – socally owned;*

| Balance sheet per year: | | 2005 | | 2006 | |
|-------------------------|-----------|--------|-----------|--------|--------|
| Shown in: | RSD | **EUR | RSD | **EUR | **EUR |
| Total business revenues | 2.810.000 | 33.893 | 3.427.000 | 40.747 | 40.747 |
| Total business expenses | 4.511.000 | 54.410 | 5.703.000 | 67.808 | 67.808 |

Main products/ services: 1) Tobacco sale 2) Food sale 3) Drink sale 4) Sale of chemical products 5) Sale of basixc hygiene products

Total number of employees 40; **of which BS/ BA:** 3

7) Basic information on the entity undergoing privatization: Enterprise for building of electric power facilities 24.SEPTEMBAR Ltd., UŽICE

Auction Sale Code: 290208-2197

Official ID number of the Entity: 06275869

Field of work: **Production of electric power distribution equipment**

The entire estimated capital value to be privatized amounts to: **RSD 409.167.000 or *EUR 5.149.120** which is **70 %** of the entire capital of the entity.

Deposit for participation in the auction: **RSD 49.100.000 or *EUR 617.895**

Initial price at the auction sale: **RSD 98.200.000**

Minimum obligatory investments into the entity to be privatized amounts to: **RSD 15.828.000**

The most important assets of the entity to be privatized

A) Buildings – main facilities (m²):

1. Production hall with a canteen (6957) 2. Administrative building with design department (835) 3. Business premises in Pozega (100) 4. Business premises in Nova Varoša (127) 5. Houses in Zlatibor (336)

B) Main equipment:

1) Profile machine road fences 2) Crane 25 tons 3) Lacquer electric kiln (big) 4) Hydraulic scissors (M 16) 5) Office furniture 6) Transporter (FAP 1417 K/36 UE-252-70)

C) Land (m²): *Entire land: (26272) ; construction land: (26272) – state owned;*

| Balance sheet per year: | | 2005 | | 2006 | |
|-------------------------|-------------|-----------|-------------|-----------|-----------|
| Shown in: | RSD | **EUR | RSD | **EUR | **EUR |
| Total business revenues | 149.049.000 | 1.797.785 | 174.337.000 | 2.072.849 | 2.072.849 |
| Total business expenses | 182.685.000 | 2.203.493 | 204.296.000 | 2.429.059 | 2.429.059 |

Main products/ services: 1) Setting of transmission lines and substation 2) Project installation of industrial and residential building 3) Production of steel transmission line pylons 4) Production and setting of steel construction structures 5) Production and setting of public light pillars

Total number of employees: 271; **of which BS/ BA:** 12

8) Basic information on the entity undergoing privatization: Socially-owned enterprise SLOBODNA ZONA PRAHOVO, PRAHOVO

Auction Sale Code: 290208-2198

Official ID number of the Entity: 07365055

Field of work: Warehouses and storage places

The entire estimated capital value to be privatized amounts to: **RSD 63.628.000 or *EUR 800.724** which is **70 %** of the entire capital of the entity.

Deposit for participation in the auction: **RSD 7.635.000 or *EUR 96.087**

Initial price at the auction sale: **RSD 15.271.000**

Minimum obligatory investments into the entity to be privatized amounts to: **RSD 248.000**

The most important assets of the entity to be privatized

A) Buildings – main facilities (m²):

1. Business premises (169) 2. Doorman's booth (34)

B) Main equipment:

1) Office furniture 2) Automobile (DAEWOO NEXIA GLE)

C) Land (m²): *Entire land: (515771) ; construction land: (106506) – socially owned; agricultural land: (409265) – state owned;*

Balance sheet per year:

| Shown in: | 2005 | | 2006 | |
|-------------------------|-----------|--------|-----------|--------|
| | RSD | **EUR | RSD | **EUR |
| Total business revenues | 0 | 0 | 1.325.000 | 15.754 |
| Total business expenses | 2.230.000 | 26.898 | 2.195.000 | 26.098 |

Main products/ services: 1) Real estate rent 2) Warehouse and storage place rent 3) Re-loading 4) Night traffic services 5) Sale mediation

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