

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:

10 Boulevard Mihailo Pupin (5th floor), Novi Sad, from 09:00 to 16:30, in the period from 06.02.2008 until 05.03.2008.

DEADLINE FOR SUBMISSION OF APPLICATIONS IS 06.03.2008, BY 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 140308, 10 Boulevard Mihailo Pupin, 5th floor".

* *The total estimated capital value to be privatized, stated in EUR, was calculated according to the official exchange rate on 01.02.2008.*

** *The total business income and expense data, stated in EUR, were calculated according to the average annual real exchange rates.*

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: 14.03.2008

at the address: **Novi Sad, JP Sportsko poslovni centar Vojvodina-SPENS, at 11:00.** Registration of the auction participants will be held at the same address on:

14.03.2008, 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 (14.03.2008) 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 (14.03.2008) issued to the individuals, who are citizens of the Republic of Serbia.

In case that the first class bank guarantee has been submitted as a means of deposit payment, it is 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 date.

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 of the Confidentiality Agreement in the period from 06.02.2008 until 05.03.2008, at the time previously agreed with the Privatization Agency, telephone: (+381 11) 3020-842; (+381 11) 3020-803, or fax: (+381 11) 3020-881.

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 privatization entity: Socially-owned agricultural company KAČAREVO, KAČAREVO

Auction sale code: 140308-2200

Official ID number of the entity: **08047715**

Field of work: **Cultivation of cereals and other crops**

The entire estimated capital value to be privatized amounts to: **RSD 291.255.000** or ***EUR 3.538.076**, which is **70 %** of the total entity capital.

Deposit for participation in the auction: **RSD 34.951.000** or ***EUR 424.569**

Initial price at the auction sale: **RSD 69.901.000**

Minimum obligatory investments into the privatization entity amount to: **RSD 7.726.000**

Main property of the privatization entity

A) Buildings – main facilities (m²):

1. Workshop (1156) 2. Open silo – 3 pieces (1755) 3. New milking stall with the dairy (2172) 4. Canteen (623) 5. Stall with the concrete crib (726)

B) Main equipment:

1) Harvester (CLASS LEHION 460) 2) Adapter (CONSPEED 6-70) 3) Tractor (IMT – 542) 4) Trailer (ZMAJ 7 T) 5) Trailer (ZMAJ 485) 6) Device megamedion 7) Manure distribution device (M 595)

C) Land (m²): *Entire land: (23927398); Farming land: (23927398) (4.812.576) – socially-owned; (23.927.398) – state-owned;*

Balance sheet per year:	2005		2006		
	Shown in:	RSD	**EUR	RSD	**EUR
Total operating revenues		93.219.000	1.124.380	101.336.000	1.204.875
Total operating expenses		104.244.000	1.257.361	116.915.000	1.390.108

Main products/services: 1) Merchandizing wheat 2) Merchandizing corn 3) Milk 4) Sunflower

Total number of employees: 102; **of which BS/BA:** 5

2) Basic information on the privatization entity: Socially-owned company for wholesale and retail PEKOS, RUMA

Auction sale code: 140308-2211

Official ID number of the entity: **08250383**

Field of work: **Retail trade in footwear and leather goods**

The entire estimated capital value to be privatized amounts to: **RSD 2.115.000** or ***EUR 25.697**, which is **70 %** of the total entity capital.

Deposit for participation in the auction: **RSD 254.000** or ***EUR 3.084**

Initial price at the auction sale: **RSD 508.000**

Minimum obligatory investments into the privatization entity amount to: **RSD 69.000**

Main property of the privatization entity

A) Buildings – main facilities (m²):

B) Main equipment:

1) Goods vehicle (Fiat Dobio Cargo) 2) Computer, printer (ST 486; Epson) 3) Gas stoves 4) Shelves

C) Land (m²):

Balance sheet per year:	2005		2006		
	Shown in:	RSD	**EUR	RSD	**EUR
Total operating revenues		10.400.000	125.442	13.272.000	157.803
Total operating expenses		9.933.000	119.809	12.680.000	150.764

Main products/services: 1) Retail trade in footwear

Total number of employees: 5; **of which BS/BA:** 0

3) Basic information on the privatization entity: Social-owned company for domestic and foreign trade JUGO-TON, SUBOTICA

Auction sale code: 140308-2212

Official ID number of the entity: **08259208**

Field of work: **Wholesale of tobacco products**

The entire estimated capital value to be privatized amounts to: **RSD 21.000** or ***EUR 256**, which is **70 %** of the total entity capital.

Deposit for participation in the auction: **RSD 2.000** or ***EUR 26**

Initial price at the auction sale: **RSD 4.000**

Minimum obligatory investments into the privatization entity amount to: **RSD 2.000**

Main property of the privatization entity

A) Buildings – main facilities (m²):

B) Main equipment:

1) Cash-register (Hugin) 2) Storage heater (Cer Čačak) 3) Fire-extinguisher (Pastor)

C) Land (m²):

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

Total operating revenues	271.000	3.269	591.000	7.027
Total operating expenses	270.000	3.257	576.000	6.849

Main products/services: 1) Sound recording sale

Total number of employees: 2; of which BS/BA: 0

4) Basic information on the privatization entity: Limited Liability Company (socially-owned) for services and trade GORENJE NS SERVIS, NOVI SAD

Auction sale code: 140308-2213

Official ID number of the entity: **08264759**

Field of work: **Repair of home appliances**

Main property of the privatization entity

A) Buildings - main facilities (m²):

1. Office premises, 16 Gogoljeva St., Novi Sad (non-registered owner) (77)

The entire estimated capital value to be privatized amounts to: **RSD 3.006.000** or ***EUR 36.513**, which is **70 %** of the total entity capital.

Deposit for participation in the auction: **RSD 361.000** or ***EUR 4.382**

Initial price at the auction sale: **721.000 Дин**

Minimum obligatory investments into the privatization entity amount to: **RSD 101.000**

B) Main equipment:

1) Passenger vehicle (Poly) 2) Telephone (Panasonic) 3) Printer (Epson)

C) Land (m²):

Balance sheet per year:		2005		2006	
Shown in:		RSD	**EUR	RSD	**EUR
Total operating revenues		4.788.000	57.751	4.595.000	54.634
Total operating expenses		4.311.000	51.998	4.214.000	50.104

Main products/services: 1) Repair of home appliances

Total number of employees: 5; of which BS/BA: 0

5) Basic information on the privatization entity: Socially-owned company for trade BUDUĆNOST, KOVAČICA

Auction sale code: 140308-2214

Official ID number of the entity: **08043094**

Field of work: **Retail trade - general goods**

Main property of the privatization entity

A) Buildings - main facilities (m²):

1. Store 27 (225) 2. Store 49 (106) 3. Department store (1670) 4. Department store (prefabricated warehouse) (288) 5. Store 13 (137)

B) Main equipment:

1) Refrigerating cabinet 2) Coffee grinder (Iskra) 3) Freezer (sandučar 320L) 4) Scales (2 pieces) 5) Metal stand (9 pieces)

C) Land (m²): *Entire land: (14439); Construction land: (3470) - socially-owned (910); - state-owned (2560); Farming land: (10969) - socially-owned (7612); - state-owned (3357);*

Balance sheet per year:		2005		2006	
Shown in:		RSD	**EUR	RSD	**EUR
Total operating revenues		3.704.000	44.677	2.698.000	32.079
Total operating expenses		7.994.000	96.421	11.912.000	141.632

Main products/services: 1) Sale of general goods

Total number of employees: 22; of which BS/BA: 0