

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 06.02.2008 to 12.03.2008.

DEADLINE FOR SUBMISSION OF APPLICATIONS IS 13.03.2008 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 210308, 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: 21.03.2008.

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: **21.03.2008, 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 (21.03.2008.) 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 (21.03.2008.) issued to the individuals, who are citizens of the Republic of Serbia.

In case that the first class bank guarantee has been submitted as 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 08.02.2008 to 06.02.2008 to 12.03.2008, 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 01.02.2007.

** 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 RESORT, LESKOVAC

Auction Sale Code: 210308-1278p

Official ID number of the Entity: **07196164**

Field of work: **Productin of woolen fabrics**

The most important assets of the entity to be privatized

A) Buildings - main facilities (m²):

1. Weaving facility (3251) 2. Warehouse (1092) 3. Production hall (738) 4. Weaving hall (2319)

The entire estimated capital value to be privatized amounts to: **RSD 41.849.000 or *EUR 508.366** which is **70 %** of the entire capital of the entity.

Deposit for participation in the auction: **RSD 3.348.000 or *EUR 40.669**

Initial price at the auction sale: **RSD 6.696.000**

Minimum obligatory investments into the entity to be privatized amounts to: **RSD 1.899.000**

B) Main equipment:

1) Big compressor 2) Machine (Dilo) 3) Pasting machine 4) Electric motor (Blecer) 5) Yarn processing 6) Machines

C) Land (m²): *Entire land: (26961) ; construction land: (26961) - state owned;*

Balance sheet per year:

Shown in:	2005		2006	
	RSD	**EUR	RSD	**EUR
Total business revenues	28.079.000	338.681	23.809.000	283.087
Total business expenses	72.055.000	869.106	69.113.000	821.747

Main products/ services: 1) Decorated woolen fabrics 2) Carpets 4) Dyeing service 5) Dozing services

Total number of employees: 185; of which **BS/ BA:** 4

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

Auction Sale Code: 210308-1963

Official ID number of the Entity: **17026631**

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

The most important assets of the entity to be privatized

A) Buildings - main facilities (m²):

The entire estimated capital value to be privatized amounts to: **RSD 1.390.000 or *EUR 16.886** which is **70 %** of the entire capital of the entity.

Deposit for participation in the auction: **RSD 139.000 or *EUR 1.689**

Initial price at the auction sale: **RSD 278.000**

Minimum obligatory investments into the entity to be privatized amounts to: **RSD 52.000**

B) Main equipment:

1) Fiscal cash register (Galeb) 2) Calculator (Scalar) 3) Waredrobes - 2 4) Wardrobes - 2 5) Footwear case - 6 6) Cupboard - 8

C) Land (m²):

Balance sheet per year:

Shown in:	2005		2006	
	RSD	**EUR	RSD	**EUR
Total business revenues	2.692.000	32.470	2.415.000	28.714
Total business expenses	2.566.000	30.950	2.512.000	29.867

Main products/ services: 1) Retail trade in footwear
Total number of employees: 2; **of which BS/ BA:** 0

3) Basic information on the entity undergoing privatization: Socially-owned enterprise IMT-FABRIKA MOTOKULTIVATORA I MOTORA, KNJAŽEVAC

Auction Sale Code: 210308-2102p

Official ID number of the Entity: **07980213**

Field of work: **Production of agricultural machines**

The entire estimated capital value to be privatized amounts to: **RSD 537.300.000** or ***EUR 6.526.964** which is **70 %** of the entire capital of the entity.

Deposit for participation in the auction: **RSD 42.984.000** or ***EUR 522.157**

Initial price at the auction sale: **RSD 85.968.000**

Minimum obligatory investments into the entity to be privatized amounts to: **RSD 87.633.000**

The most important assets of the entity to be privatized

A) Buildings – main facilities (m²):

1. Restaurant (638) 2. Substation (280) 3. Plant (8007) 4. Motocultivator production hall (vanknjižni vlasnik) (10715)

B) Main equipment:

1) Motor processing system 2) Induction tempering device 3) Flexible processing systems 4) Press (K-3537 500tons) 5) Compressor with a tank (ELVK) 6) Cog making machine

C) Land (m²): *Entire land: (507915) ; construction land: (203113) (142503) – socially owned, (60610) – state owned; agricultural land: (122516) – state owned; forest land: (98546) (65428) – socially owned, (33118) – state owned; other types of land: (83740) (51847) – socially owned, (31893) – state owned;*

Balance sheet per year:

Shown in:	2005		2006	
	RSD	**EUR	RSD	**EUR
Total business revenues	85.645.000	1.033.025	142.812.000	1.698.020
Total business expenses	196.827.000	2.374.070	233.822.000	2.780.120

Main products/ services: 1) Motor cultivators 2) Motors 3) Milling machine 4) Trailers 5) Ploughs

Total number of employees: 448; **of which BS/ BA:** 25

4) Basic information on the entity undergoing privatization: Socially-owned enterprise ISKRA COMMERCE, BEOGRAD

Auction Sale Code: 210308-2222

Official ID number of the Entity: **07738862**

Field of work: **Wholesale of heating equipment**

The entire estimated capital value to be privatized amounts to: **RSD 154.587.000** or ***EUR 1.877.875** which is **70 %** of the entire capital of the entity.

Deposit for participation in the auction: **RSD 18.550.000** or ***EUR 225.345**

Initial price at the auction sale: **RSD 37.101.000**

Minimum obligatory investments into the entity to be privatized amounts to: **RSD 2.885.000**

The most important assets of the entity to be privatized

A) Buildings – main facilities (m²):

1. Facility in Zaječar (209) 2. Facility in Kragujevac (228) 3. Facility in Kraljevo (291) 4. Facility in Belgrade (3383)

B) Main equipment:

1) Citroen (BERLINGO F6-800) 2) Computer (HIPD – PE 197 ED) 3) Copier (IR 2015J) 4) Switchboard (SI 2000) 5) Fiscal cash register (Intracom CR 401)

C) Land (m²):

Balance sheet per year:

Shown in:	2005		2006	
	RSD	**EUR	RSD	**EUR
Total business revenues	28.426.000	342.866	31.918.000	379.502
Total business expenses	26.253.000	317.138	31.685.000	376.731

Main products/ services: 1) Wholesale

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

5) Basic information on the entity undergoing privatization: Socially-owned enterprise for rent-a-car, tourism and trade NIŠ HERC, NIŠ

Auction Sale Code: 210308-2223

Official ID number of the Entity: **07683103**

Field of work: **Car rent**

The entire estimated capital value to be privatized amounts to: **RSD 3.880.000** or ***EUR 47.130** which is **70 %** of the entire capital of the entity.

Deposit for participation in the auction: **RSD 466.000** or ***EUR 5.656**

Initial price at the auction sale: **RSD 931.000**

Minimum obligatory investments into the entity to be privatized amounts to: **RSD 549.000**

The most important assets of the entity to be privatized

A) Buildings – main facilities (m²):

1. Business premises (46)

B) Main equipment:

1) Passenger vehicle (Jugo 55) 2) Office furniture 3) Passenger vehicle (SAXO 1,1 FURIO)

C) Land (m²):

Balance sheet per year:

Shown in:	2005		2006	
	RSD	**EUR	RSD	**EUR
Total business revenues	1.845.000	22.254	456.000	5.422
Total business expenses	2.885.000	34.798	1.072.000	12.746

Main products/ services: 1) Vehicle services
Total number of employees: 2; of which BS/ BA: 0

6) Basic information on the entity undergoing privatization: Socially-owned enterprise for design and engineering ENERGO – BEOINŽENJERING, BEOGRAD

Auction Sale Code: 210308-2224

Official ID number of the Entity: 17118404

Field of work: **Setting of electric installations and equipment**

The entire estimated capital value to be privatized amounts to: **RSD 775.000 or *EUR 9.411** which is **70 %** of the entire capital of the entity.

Deposit for participation in the auction: **RSD 77.000 or *EUR 941**

Initial price at the auction sale: **RSD 155.000**

Minimum obligatory investments into the entity to be privatized amounts to: **RSD 168.000**

The most important assets of the entity to be privatized

A) Buildings – main facilities (m²):

B) Main equipment:

1) Computer (3) 2) Air conditioner (Housel) 3) Draft case 4) Typewriter (Oliveti) 5) Printer (HP)

C) Land (m²):

Balance sheet per year:	2005		2006		
	Shown in:	RSD	**EUR	RSD	**EUR
Total business revenues		9.088.000	109.617	8.263.000	98.246
Total business expenses		8.047.000	97.061	8.024.000	95.405

Main products/ services: 1) Design of electric power plants

Total number of employees: 5; of which BS/ BA: 2

7) Basic information on the entity undergoing privatization: Socially-owned enterprise for transport, trade and services BEOPREVOZ, BEOGRAD

Auction Sale Code: 210308-2225

Official ID number of the Entity: 06899480

Field of work: **Road traffic services**

The entire estimated capital value to be privatized amounts to: **RSD.000 or *EUR 1.576** which is **70 %** of the entire capital of the entity.

Deposit for participation in the auction: **RSD 13.000 or *EUR 158**

Initial price at the auction sale: **RSD 26.000**

Minimum obligatory investments into the entity to be privatized amounts to: **RSD 18.000**

The most important assets of the entity to be privatized

A) Buildings – main facilities (m²):

B) Main equipment:

1) Desk 2) Desk 3) Wardrobe 4) Typewriter 5) Telephone 6) Fax

C) Land (m²):

Balance sheet per year:	2005		2006		
	Shown in:	RSD	**EUR	RSD	**EUR
Total business revenues		1.149.000	13.859	423.000	5.029
Total business expenses		1.146.000	13.823	464.000	5.517

Main products/ services: 1) Transport services

Total number of employees: 1; of which BS/ BA: 0

8) Basic information on the entity undergoing privatization: Enterprise for traffic activities INTERAGENT, BEOGRAD

Auction Sale Code: 210308-2226

Official ID number of the Entity: 07756259

Field of work: **Sea transport services**

The entire estimated capital value to be privatized amounts to: **RSD 596.000 or *EUR 7.236** which is **70 %** of the entire capital of the entity.

Deposit for participation in the auction: **RSD 60.000 or *EUR 724**

Initial price at the auction sale: **RSD 119.000**

Minimum obligatory investments into the entity to be privatized amounts to: **RSD 15.000**

The most important assets of the entity to be privatized

A) Buildings – main facilities (m²):

B) Main equipment:

1) Air conditioner (Split system) 2) Telephones (7) (Panasonic) 3) Desks (9) 4) Chairs (8) 5) Typewriter (Oliveti)

C) Land (m²):

Balance sheet per year:	2005		2006		
	Shown in:	RSD	**EUR	RSD	**EUR
Total business revenues		20.287.000	244.696	1.335.000	15.873
Total business expenses		18.152.000	218.944	3.998.000	47.536

Main products/ services: 1) Transport services
Total number of employees: 3; **of which BS/ BA:** 1

9) Basic information on the entity undergoing privatization: MIRNA TRGOVINA Socially-owned enterprise for foreign and domestic trade, BEOGRAD

Auction Sale Code: 210308-2227

Official ID number of the Entity: **07743939**

Field of work: **Retail trade in meat and meat products**

The entire estimated capital value to be privatized amounts to: **RSD 78.016.000** or ***EUR 947.712** which is **70 %** of the entire capital of the entity.

Deposit for participation in the auction: **RSD 9.362.000** or ***EUR 113.725**

Initial price at the auction sale: **RSD 18.724.000**

Minimum obligatory investments into the entity to be privatized amounts to: **RSD 688.000**

The most important assets of the entity to be privatized

A) Buildings – main facilities (m²):

1. Business–sale premises, Sremskih odreda 1, Novi Beograd (tenure holder) (313) 2. Warehouse, Sremskih odreda 1, Novi beograd (tenure holder) (50) 3. Business–sale premises, Kalenićeva 3, Beograd, (tenure holder) (86) 4. Warehouse, Kalenićeva 3, Beograd, (tenure holder) (45)

B) Main equipment:

1) Fiscal cash register (Logic) 2) Bar code reader 3) Archive case 4) Fax (Panasonic) 5) Electronic scales

C) Land (m²): *Entire land: (449) ; construction land: (449) – state owned;*

Balance sheet per year:

	2005		2006	
Shown in:	RSD	**EUR	RSD	**EUR
Total business revenues	4.845.000	58.439	4.387.000	52.161
Total business expenses	4.922.000	59.368	4.543.000	54.016

Main products/ services: 1) Trade

Total number of employees: 3; **of which BS/ BA:** 1

10) Basic information on the entity undergoing privatization: Socially-owned enterprise for agriculture and trade SUVOBOR, BREZNA

Auction Sale Code: 210308-2228

Official ID number of the Entity: **07153864**

Field of work: **Fruit growing**

The entire estimated capital value to be privatized amounts to: **RSD 44.328.000** or ***EUR 538.478** which is **70 %** of the entire capital of the entity.

Deposit for participation in the auction: **RSD 5.319.000** or ***EUR 64.617**

Initial price at the auction sale: **RSD 10.639.000**

Minimum obligatory investments into the entity to be privatized amounts to: **RSD 900.000**

The most important assets of the entity to be privatized

A) Buildings – main facilities (m²):

1. Potato warehouse – Teočin (1000) 2. Warehouse –Teočin (995) 3. Purchase warehouse –Srezojevica (208) 4. Big cattle stable–Leušić (436)

B) Main equipment:

1) Tractor (IMT – 542) 2) Tractor (IMT – 549) 3) Tractor Rakovica (65) 4) Tractor Rakovica

C) Land (m²): *Entire land: (74740) ; construction land: (324884) – socially owned (21.414); state owned (303.470); agricultural land: (44915) – socially owned; other types of land: (5810) – socially owned;*

Balance sheet per year:

	2005		2006	
Shown in:	RSD	**EUR	RSD	**EUR
Total business revenues	19.139.000	230.849	19.458.000	231.354
Total business expenses	22.572.000	272.257	19.736.000	234.659

Main products/ services: 1) Production of potato 2) Mercantile potato purchase 3) Retail trade

Total number of employees: 12; **of which BS/ BA:** 3