

Pursuant to the Article 38 of the Privatization Law ("Official Gazette RS" nos. 38/01, 18/03, 45/05 and 123/07), the Law on the Share Fund ("Official Gazette RS" nos. 38/01 and 45/05), the Law on the Privatization Agency ("Official Gazette RS" nos. 38/01, 135/04) and the Article 9 of the Decree on Sale of Capital and Assets by Public Auction ("Official Gazette RS" nos. 52/05, 91/07),  
The Privatization Agency and the Share Fund announce:

## PUBLIC INVITATION FOR PARTICIPATION IN PUBLIC AUCTION

### Osnovni podaci o aukcijskoj prodaji

The Privatization Agency and the Share Fund offer the stake of the Republic Pension Fund in the capital of the enterprise PROGRES D.O.O., which amounts to 10% of the entire capital of the enterprise, and the stake of the Share Fund of the Republic of Serbia in the capital of enterprise PROGRES D.O.O., which amounts to 30% of the entire capital of the enterprise.

Interested parties can purchase the auction documents at the price of **RSD 15.000**, after they receive the invoice from the Privatization Agency. VAT is not calculated in the price. Purchase of the auction documents is obligatory. After the payment evidence has been submitted, the auction documents can be collected at the following address:

Privatization Agency, Belgrade, 23 Terazije Street, 09:00-16:30, from 20.05.2008 to 18.06.2008.

#### **DEADLINE FOR SUBMISSION OF APPLICATIONS IS 19.06.2008 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 270608 A, Privatization Agency, Belgrade, 23 Terazije St".

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: 27.06.2008.**

at the following address: **Privatization Agency, Belgrade, 23 Terazije Street, 2nd floor, Large Hall at 11.00**. The registration of the auction participants will be held at the same address on: **27.06.2008, from 09.00 to 10.50**.

**Means of payment** can be in domestic currency and foreign convertible currency. The declared buyer cannot pay the selling price in installments.

The deposit for participation in the auction amounts to 50% of the initial price of the share, and can be money or the first-class bank guarantee.

The money deposit is to be paid into the account of the Privatization Agency no. 840-1327721-76 call upon number 270608-A-1982p. 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 buyer has been declared.

After the Sales and Purchase Agreement is signed, the buyer, within 3 days after the signing of the SPA, shall pay the Share Fund the selling price from the SPA, reduced by the amount of the paid money deposit or total selling price in case the buyer has submitted the first-class bank guarantee to cover the deposit.

The deposit for participation in the public auction shall be returned to the participants who have not been declared a buyer within 8 days after the public auction is held, except for the participant who has offered the second best offer. 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 amount of the deposit, shown in euros, has been calculated according to the official rate on 15.05.2008.*

### Brief Description of 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 and the Share Fund. The commission supervises the auction sale, 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.

If there is more than one person at the first bidding, the auctioneer announces the initial price as well as each further increase. If there are no interested buyers after the third call for acceptance of the newly established price, the auctioneer by hammering declares the auction finished. 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 are no 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, she/he 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 she/he loses the right to be returned the deposit.

**1) Basic data on PROGRES D.O.O., NOVI SAD, MILANA RAKIĆA 15****Auction Sale Code: 270608-A-1982p**Official ID number of the Entity: **08040494**Field of work: **Engineering****Deposit** for participation in the auction: **RSD 22.000** or **\*EUR 265****Initial price** at the auction sale: **RSD 43.000**

<b>Balance sheet per year:</b>	<b>2006</b>	<b>2007</b>
Shown in:	RSD (000)	RSD (000)
Total business revenues	277	81
Total business expenses	513	182