

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 Street, 5th floor, 09:00–16:30, from 14.07.2008 to 27.08.2008.

DEADLINE FOR SUBMISSION OF APPLICATIONS IS 28.08.2008 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 050908, 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: 05.09.2008.

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 **05.09.2008, 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 (05.09.2008.) 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 (05.09.2008.) 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 14.07.2008 to 27.08.2008..

* *The total estimated capital value to be privatized, stated in EUR, was calculated according to the official exchange rate on the day of the public invitation's preparation*

** *Data on the real estate of the entity undergoing privatization from this public invitation are presented only for the purpose of giving information, while the data on the legal basis, ownership type and right to them are presented in the Auction Documents.*

*** *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: Joint-stock company PRVI MAJ construction material LEŠNICA

Auction Sale Code: 050908-2283p

Official ID number of the Entity: **07120699**

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

The entire estimated capital value to be privatized amounts to: **RSD 220.266.000** or ***EUR 2.787.571** which is **51,751 %** of the entire capital of the entity.

Deposit for participation in the auction: **RSD 17.621.000** or ***EUR 223.006**

Initial price at the auction sale: **RSD 35.243.000**

Minimum obligatory investments into the entity to be privatized amounts to: **RSD 13.087.000**

The most important assets of the entity to be privatized **

A) Buildings - main facilities (m²):

1. Tunnel furnace (530) 2. Kiln hall (1600) 3. Production hall (2500) 4. Department store (1639) 5. Furnace hall (1500)

B) Main equipment:

1) Automatic devices 2) Vacuum press (VA 500) 3) Caterpillar dredger (BGH 1000) 4) Tile press 5) fork-lift truck(TU 35) 6) office furniture 7) Computer equipment

C) Land (m²): *Entire land: (416923) ; agricultural land: (358114) - (284.465) socially owned , - (73.649) state owned; forest land: (58809) - socially owned;*

| Balance sheet per year: | | 2006 | | 2007 | |
|-------------------------|-------------|-----------|------------|---------|--------|
| Shown in: | RSD | ***EUR | RSD | ***EUR | ***EUR |
| Total business revenues | 105.221.000 | 1.251.067 | 953.000 | 11.918 | |
| Total business expenses | 164.175.000 | 1.952.024 | 79.791.000 | 997.837 | |

Main products/ services: 1) Gitter block 2) Hollow block 3) Monta block 4) Filling 5) Semi-fireclay products

Total number of employees: 17; of which **BS/ BA:** 1

2) Basic information on the entity undergoing privatization: Joint-stock company for research, capital valuation, commercial and other business activities ZASTAVA PARTNER, KRAGUJEVAC

Auction Sale Code: 050908-3042p

Official ID number of the Entity: **06123970**

Field of work: **Accounting activities, control, etc.**

The entire estimated capital value to be privatized amounts to: **RSD 1.515.000** or ***EUR 19.177** which is **47,908 %** of the entire capital of the entity.

Deposit for participation in the auction: **RSD 76.000** or ***EUR 959**

Initial price at the auction sale: **RSD 152.000**

Minimum obligatory investments into the entity to be privatized amounts to: **RSD 0**

The most important assets of the entity to be privatized **

A) Buildings - main facilities (m²):

1. Administrative building, Trg Topolivaca 4, Kragujevac (168)

B) Main equipment:

1) Passenger vehicle (Yugo Florida) 2) Passenger vehicle (1.1) (Yugo Tempo) 3) Office furniture 4) Office equipment

C) Land (m²):

| Balance sheet per year: | | 2006 | | 2007 | |
|-------------------------|-----------|--------|-----------|--------|--------|
| Shown in: | RSD | ***EUR | RSD | ***EUR | ***EUR |
| Total business revenues | 1.229.000 | 14.613 | 408.000 | 5.102 | |
| Total business expenses | 2.457.000 | 29.213 | 1.121.000 | 14.019 | |

Main products/ services: 1) Capital valuation 2) Assets valuation 3) Privatization programmes 4) Business plans 5) Investment studies
Total number of employees: 4; of which BS/ BA: 2

3) Basic information on the entity undergoing privatization: Socially-owned enterprise for management of flats and real estate trade ZASTAVA STAN SERVIS p.o., KRAGUJEVAC

Auction Sale Code: 050908-3043p

Official ID number of the Entity: **06999883**

Field of work: **Real estate management**

The entire estimated capital value to be privatized amounts to: **RSD 4.038.000 or *EUR 51.097** which is **70 %** of the entire capital of the entity.

Deposit for participation in the auction: **RSD 270.000 or *EUR 3.422**

Initial price at the auction sale: **RSD 541.000**

Minimum obligatory investments into the entity to be privatized amounts to: **RSD 156.000**

The most important assets of the entity to be privatized **

A) Buildings – main facilities (m²):

B) Main equipment:

1) Office equipment 2) Office furniture

C) Land (m²):

| Balance sheet per year: | 2006 | | 2007 | |
|-------------------------|-----------|--------|-----------|--------|
| | Shown in: | RSD | ***EUR | RSD |
| Total business revenues | 4.778.000 | 56.810 | 5.829.000 | 72.895 |
| Total business expenses | 4.451.000 | 52.922 | 4.840.000 | 60.527 |

Main products/ services: 1) Upkeep of buildings

Total number of employees: 10; of which BS/ BA: 0

4) Basic information on the entity undergoing privatization: Public veterinary station SURDULICA, SURDULICA

Auction Sale Code: 050908-3048p

Official ID number of the Entity: **06158510**

Field of work: **veterinary activities**

The entire estimated capital value to be privatized amounts to: **RSD 6.267.000 or *EUR 79.316** which is **70 %** of the entire capital of the entity.

Deposit for participation in the auction: **RSD 501.000 or *EUR 6.345**

Initial price at the auction sale: **RSD 1.003.000**

Minimum obligatory investments into the entity to be privatized amounts to: **RSD 60.000**

The most important assets of the entity to be privatized **

A) Buildings – main facilities (m²):

1. Veterinary station building (291) 2 Veterinary station building (64) 3. Garage (45) 4. Hospital (180)

B) Main equipment:

1) Passenger vehicle (2) (Jugo 55) 2) Office inventory 3) Office equipment 4) Office equipment

C) Land (m²): *Entire land: (3238) ; construction land: (3238) – state owned;*

| Balance sheet per year: | 2006 | | 2007 | |
|-------------------------|-----------|--------|-----------|--------|
| | Shown in: | RSD | ***EUR | Din |
| Total business revenues | 2.660.000 | 31.627 | 2.082.000 | 26.037 |
| Total business expenses | 4.985.000 | 59.271 | 3.926.000 | 49.097 |

Main products/ services: 1) Veterinary activities 2) Retail trade in veterinary preparations 3) Retail trade in concentrate 4) Retail trade in chickens

Total number of employees: 13; of which BS/ BA: 3

5) Basic information on the entity undergoing privatization: LUKA-CONSULTING Socially-owned enterprise for trade and services, export-import, BEOGRAD

Auction Sale Code: 050908-3110

Official ID number of the Entity: **07906838**

Field of work: **Making of computer programs**

The entire estimated capital value to be privatized amounts to: **RSD 5.007.000 or *EUR 63.369** which is **70 %** of the entire capital of the entity.

Deposit for participation in the auction: **RSD 601.000 or *EUR 7.604**

Initial price at the auction sale: **RSD 1.202.000**

Minimum obligatory investments into the entity to be privatized amounts to: **RSD 148.000**

The most important assets of the entity to be privatized **

A) Buildings – main facilities (m²):

1. Business premises, Nemanjina 4, Beograd (53)

B) Main equipment:

1) Office furniture

C) Land (m²):

| Balance sheet per year: | 2006 | | 2007 | |
|-------------------------|-----------|-------|---------|-------|
| | Shown in: | RSD | ***EUR | RSD |
| Total business revenues | 394.000 | 4.685 | 508.000 | 6.353 |
| Total business expenses | 643.000 | 7.645 | 492.000 | 6.153 |

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

6) Basic information on the entity undergoing privatization: Public veterinary station JAGODINA, JAGODINA

Auction Sale Code: 050908-3111

Official ID number of the Entity: **07114630**

Field of work: **veterinary activities**

The entire estimated capital value to be privatized amounts to: **RSD 24.643.000 or *EUR 311.875** which is **70 %** of the entire capital of the entity.

Deposit for participation in the auction: **RSD 2.957.000 or *EUR 37.425**

Initial price at the auction sale: **RSD 5.914.000**

Minimum obligatory investments into the entity to be privatized amounts to: **RSD 1.629.000**

The most important assets of the entity to be privatized **

A) Buildings – main facilities (m²):

1. Surgery Jagodina (260) 2. Surgery ambulante Lanište (58) 3. Auxiliary building Lanište (5) 4. Veterinary station Bagrdan (222) 5. Veterinary station Glogovac (110)

B) Main equipment:

1) Scanner (Basic Uvit) 2) Passenger vehicle (Lada Niva 1,7) 3) Passenger vehicle (Fiat Tempo Berlina) 4) Passenger vehicle (Zastava Koral 1,1) 5) Computer 6) Trichinoscope (2) (M 1020 710)

C) Land (m²): *Entire land: (13581); construction land: (13581) – state owned;*

| Balance sheet per year: | 2006 | | 2007 | | |
|-------------------------|-----------|------------|---------|------------|---------|
| | Shown in: | RSD | ***EUR | RSD | ***EUR |
| Total business revenues | | 15.757.000 | 187.349 | 17.788.000 | 222.450 |
| Total business expenses | | 15.233.000 | 181.119 | 17.049.000 | 213.208 |

Main products/ services: 1) Check-up and treatment of cattle, pigs, dogs, horses and poultry 2) Animal delivery 3) Gynecology and sterility treatment 4) Artificial insemination of cattle and pigs 5) Surgeries 6) Animal vaccination 7) Diagnostic measures and methods 8) Disinfection of facilities and vehicles 9) Deratization

Total number of employees: 18; of which BS/ BA: 7

7) Basic information on the entity undergoing privatization: Public veterinary station LEBANE, LEBANE

Auction Sale Code: 050908-3112

Official ID number of the Entity: **07186479**

Field of work: **veterinary activities**

The entire estimated capital value to be privatized amounts to: **RSD 14.573.000 or *EUR 184.431** which is **70 %** of the entire capital of the entity.

Deposit for participation in the auction: **RSD 1.749.000 or *EUR 22.132**

Initial price at the auction sale: **RSD 3.498.000**

Minimum obligatory investments into the entity to be privatized amounts to: **RSD 1.668.000**

The most important assets of the entity to be privatized **

A) Buildings – main facilities (m²):

1. Veterinary station Lebane (230) 2. Auxiliary building (250) 3. Veterinary surgery Bošnjace (116) 4. Veterinary surgery Medveda (280) 5. Veterinary surgery Prekopčelica (66)

B) Main equipment:

1) Passenger vehicle (4) (Jugo 1,1) 2) Passenger vehicle (2) (Zastava 101) 3) Office furniture 4) Container (2) 5) Computer (2) (PC) 6) Mower

C) Land (m²): *Entire land: (9611); construction land: (9611) – state owned;*

| Balance sheet per year: | 2006 | | 2007 | | |
|-------------------------|-----------|------------|---------|------------|---------|
| | Shown in: | RSD | ***EUR | RSD | ***EUR |
| Total business revenues | | 19.709.000 | 234.338 | 23.349.000 | 291.994 |
| Total business expenses | | 19.267.000 | 229.083 | 22.175.000 | 277.312 |

Main products/ services: 1) Animal treatment 2) Trade in medicines 3) Trade in fodder 4) Trade 5) Trade in chickens

Total number of employees: 22; of which BS/ BA: 6

8) Basic information on the entity undergoing privatization: Socially-owned enterprise for production, engineering and trade LINEA INŽENJERING, BEOGRAD

Auction Sale Code: 050908-3113

Official ID number of the Entity: **07740131**

Field of work: **Production of construction carpentry**

The entire estimated capital value to be privatized amounts to: **RSD 25.494.000 or *EUR 322.634** which is **70 %** of the entire capital of the entity.

Deposit for participation in the auction: **RSD 3.059.000 or *EUR 38.716**

Initial price at the auction sale: **RSD 6.118.000**

Minimum obligatory investments into the entity to be privatized amounts to: **RSD 35.000**

The most important assets of the entity to be privatized **

A) Buildings – main facilities (m²):

1. Business premises, Palmira Toljatija 5, Beograd (194)

B) Main equipment:

1) Office equipment 2) Office furniture

C) Land (m²):

| Balance sheet per year: | 2006 | | 2007 | |
|-------------------------|-----------|-----|--------|-----|
| | Shown in: | RSD | ***EUR | RSD |

| | | | | |
|-------------------------|-----------|--------|-----------|---------|
| Total business revenues | 4.259.000 | 50.639 | 8.305.000 | 103.859 |
| Total business expenses | 6.230.000 | 74.074 | 8.266.000 | 103.372 |

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

9) Basic information on the entity undergoing privatization: Veterinary station UB with unlimited liability, UB

| | |
|---|---|
| Auction Sale Code: <u>050908-3114</u> | The entire estimated capital value to be privatized amounts to: RSD 30.809.000 or *EUR 389.908 which is 70 % of the entire capital of the entity. |
| Official ID number of the Entity: 07098391 | Deposit for participation in the auction: RSD 3.966.000 or *EUR 50.194 |
| Field of work: veterinary activities | Initial price at the auction sale: RSD 7.932.000 |
| | Minimum obligatory investments into the entity to be privatized amounts to: RSD 1.493.000 |

The most important assets of the entity to be privatized **

| | |
|---|--|
| A) Buildings – main facilities (m²): 1. Veterinary station Ub (325) 2. Veterinary surgery Radijevo (85) 3. Veterinary surgery Banjani (182) 4. Administrative building Ub (290) | B) Main equipment: 1) Passenger vehicles (4) (Zastava Koral 1,1) 2) Passenger vehicle (Jugo 45) 3) Trichinoscope (3) (Mikro T10) 4) Computer 5) Digestion |
|---|--|

C) Land (m²): *Entire land: (18897) ; construction land: (10196) – state owned; other types of land: (8701) – state owned;*

| Balance sheet per year: | | 2006 | | 2007 | |
|-------------------------|------------|---------|------------|---------|--------|
| Shown in: | RSD | ***EUR | RSD | ***EUR | ***EUR |
| Total business revenues | 29.065.000 | 345.580 | 34.545.000 | 432.007 | |
| Total business expenses | 26.043.000 | 309.649 | 30.231.000 | 378.058 | |

Main products/ services: 1) Animal treatment services 2) Prevention 3) Artificial insemination of animals 4) Certification of animals, etc. 5) Meat inspection against trichinelosis 6) Other veterinary services
Total number of employees: 20; of which BS/ BA: 6

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

| | |
|---|---|
| Auction Sale Code: <u>050908-3115</u> | The entire estimated capital value to be privatized amounts to: RSD 23.096.000 or *EUR 292.290 which is 70 % of the entire capital of the entity. |
| Official ID number of the Entity: 06967868 | Deposit for participation in the auction: RSD 2.310.000 or *EUR 29.229 |
| Field of work: wholesale | Initial price at the auction sale: RSD 4.619.000 |
| | Minimum obligatory investments into the entity to be privatized amounts to: RSD 1.071.000 |

The most important assets of the entity to be privatized **

| | |
|--|--|
| A) Buildings – main facilities (m²): 1. Business premises, Uzun Mirkova 5/3, Beograd (156) | B) Main equipment: 1) Passenger vehicle (Jeta) 2) Fork-lift truck (Pobeda) 3) Office equipment and furniture |
|--|--|

C) Land (m²):

| Balance sheet per year: | | 2006 | | 2007 | |
|-------------------------|------------|---------|------------|---------|--------|
| Shown in: | RSD | ***EUR | RSD | ***EUR | ***EUR |
| Total business revenues | 20.287.000 | 241.210 | 15.300.000 | 191.336 | |
| Total business expenses | 22.341.000 | 265.632 | 17.001.000 | 212.608 | |

Main products/ services: 1) Wholesale of construction material
Total number of employees: 4; of which BS/ BA: 2

11) Basic information on the entity undergoing privatization: Socially-owned enterprise for production, trade and services ŠIPAD EXPORT-IMPORT, BEOGRAD

| | |
|---|---|
| Auction Sale Code: <u>050908-3116</u> | The entire estimated capital value to be privatized amounts to: RSD 5.790.000 or *EUR 73.274 which is 70 % of the entire capital of the entity. |
| Official ID number of the Entity: 06172725 | Deposit for participation in the auction: RSD 579.000 or *EUR 7.327 |
| Field of work: Wholesale of household products | Initial price at the auction sale: RSD 1.158.000 |
| | Minimum obligatory investments into the entity to be privatized amounts to: RSD 356.000 |

The most important assets of the entity to be privatized **

| | |
|--|--|
| A) Buildings – main facilities (m²): 1. House of engineers and technicians, Kneza Miloša 9, Vračar, Beograd (67) | B) Main equipment: 1) Office equipment |
|--|--|

C) Land (m²):

| Balance sheet per year: | | 2006 | | 2007 | |
|-------------------------|-----|--------|-----|--------|--------|
| Shown in: | RSD | ***EUR | RSD | ***EUR | ***EUR |

| | | | | |
|-------------------------|-----------|--------|-----------|--------|
| Total business revenues | 2.506.000 | 29.796 | 997.000 | 12.468 |
| Total business expenses | 3.113.000 | 37.013 | 1.375.000 | 17.195 |

Main products/ services: 1) Carpentry 2) Wood 3) Production materials
Total number of employees: 1; of which BS/ BA: 1

12) Basic information on the entity undergoing privatization: Enterprise for production, trade and services AGRARCOOP A.D., KRALJEVO

Auction Sale Code: 050908-3117

Official ID number of the Entity: **06868479**

Field of work: **Cattle breeding and production of milk**

The entire estimated capital value to be privatized amounts to: **RSD 1.210.000 or *EUR 15.317** which is **35,567 %** of the entire capital of the entity.

Deposit for participation in the auction: **RSD 145.000 or *EUR 1.838**

Initial price at the auction sale: **RSD 290.000**

Minimum obligatory investments into the entity to be privatized amounts to: **RSD 0**

The most important assets of the entity to be privatized **

A) Buildings – main facilities (m²):

1. Business premises in a building (48)

B) Main equipment:

1) Vehicle furgon (Volkswagen) 2) Vehicle (Zastava Poly) 3) Office equipment

C) Land (m²):

| Balance sheet per year: | 2006 | | 2007 | |
|--------------------------------|-------------|--------|-------------|--------|
| Shown in: | RSD | ***EUR | RSD | ***EUR |
| Total business revenues | 5.880.000 | 69.913 | 4.892.000 | 61.178 |
| Total business expenses | 5.885.000 | 69.972 | 5.489.000 | 68.643 |

Main products/ services: 1) Cattle breeding and production of milk

Total number of employees: 8; of which BS/ BA: 1