

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 05.08.2008 to 17.09.2008.

DEADLINE FOR SUBMISSION OF APPLICATIONS IS 18.09.2008 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 260908, 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: 26.09.2008.

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: **26.09.2008, 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 (26.09.2008.) 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 (26.09.2008.) 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 05.08.2008 to 17.09.2008..

* *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: V&V CO Socially-owned enterprise for production, trade and engineering, BEOGRAD

Auction Sale Code: 260908-3154

Official ID number of the Entity: 07771240

Field of work: **Production of calculating machines**

The entire estimated capital value to be privatized amounts to: **RSD 6.934.000 or *EUR 89.477** which is **70 %** of the entire capital of the entity.

Deposit for participation in the auction: **RSD 832.000 or *EUR 10.737**

Initial price at the auction sale: **RSD 1.664.000**

Minimum obligatory investments into the entity to be privatized amounts to: **RSD 144.000**

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

A) Buildings – main facilities (m²):

1. Residential-business premises, Vojvode Milenka broj 7, Beograd (41)

B) Main equipment:

1) Office equipment

C) Land (m²): *Entire land: (41) ; construction land: (41) – state owned;*

Balance sheet per year:

Shown in:	2006		2007	
	RSD	***EUR	RSD	***EUR
Total business revenues	177.000	2.105	216.000	2.701
Total business expenses	751.000	8.929	993.000	12.418

Main products/ services: 1) Retail trade 2) Wholesale 3) Production of electrical machines and devices

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

2) Basic information on the entity undergoing privatization: INTER-KONIM Socially-owned enterprise for foreign and domestic trade, and agency, BEOGRAD

Auction Sale Code: 260908-3155

Official ID number of the Entity: 07805772

Field of work: **Wholesale of chemical products**

The entire estimated capital value to be privatized amounts to: **RSD 99.727.000 or *EUR 1.286.853** which is **70 %** of the entire capital of the entity.

Deposit for participation in the auction: **RSD 12.829.000 or *EUR 165.537**

Initial price at the auction sale: **RSD 25.657.000**

Minimum obligatory investments into the entity to be privatized amounts to: **RSD 875.000**

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

A) Buildings – main facilities (m²):

1. Business premises, III Bulevar 120E, Novi Beograd (177) 2. Business premises, Džordža Vašingtona 52, Beograd (45) 3. Garage, III Bulevar 120E, Novi Beograd (15)

B) Main equipment:

1) Passenger vehicle (Škoda Octavia Elegance 1,9 TDI) 2) Transporter (Ford Courier J3S) 3) Passenger vehicle (Daewoo Espero 1,8 CD) 4) Copier (Canon NP 6216) 5) Scanner, fax and copier (Samsung SCX-4216 F)

C) Land (m²): *Entire land: (237) ; construction land: (237) – state owned;*

Balance sheet per year:

Shown in:	2006		2007	
	RSD	***EUR	RSD	***EUR
Total business revenues	129.515.000	1.539.920	137.703.000	1.722.062
Total business expenses	127.865.000	1.520.302	138.295.000	1.729.466

Main products/ services: 1) Wholesale 2) Sale intermediation 3) Foreign trade

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

3) Basic information on the entity undergoing privatization: DP MATARUŠKA I BOGUTOVAČKA BANJA spa and recreation center, MATARUŠKA BANJA

Auction Sale Code: 260908-3156

Official ID number of the Entity: 07326394

Field of work: Medical rehabilitation

The entire estimated capital value to be privatized amounts to: RSD 775.090.000 or *EUR 10.001.585 which is 70 % of the entire capital of the entity.

Deposit for participation in the auction: RSD 93.011.000 or *EUR 1.200.190

Initial price at the auction sale: RSD 186.022.000

Minimum obligatory investments into the entity to be privatized amounts to: RSD 79.663.000

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

A) Buildings – main facilities (m²):

1. Hotel «Termal» (6303) 2. Hotel «Mineral» (3045) 3. Hotel «Žiča» (2181) 4. Restaurant «Jugoslavija» (674) 5. Old bathroom (594) 6. Depadans Mineral (390) 7. Pizzeria «Kapica» (247)

B) Main equipment:

1) Refrigerator 135 l. 2) Office chairs (11 pieces) 3) Leatherette 4) Metal racks (9) 5) Computer Oliveti with a printer 6) Tractor (TV-42) 7) Oil tank

C) Land (m²): Entire land: (152496); construction land: (115573) – state owned 103465, socially owned 12108; agricultural land: (30885) – state owned; forest land: (1870) – state owned; other types of land: (4168) – state owned;

Balance sheet per year:	2006		2007	
Shown in:	RSD	***EUR	RSD	***EUR
Total business revenues	138.882.000	1.651.293	125.728.000	1.572.308
Total business expenses	157.816.000	1.876.416	160.274.000	2.004.327

Main products/ services: 1) Accommodation services 2) Restaurant services 3) Health services (medical check-up, mineral water bathing, treatment services) 4) utility services

Total number of employees: 146; of which BS/ BA: 7

4) Basic information on the entity undergoing privatization: Socially-owned enterprise for engineering, production and assemblage of electrical equipment ELPROMONT with unlimited liability, PANČEVO

Auction Sale Code: 260908-3157

Official ID number of the Entity: 08247943

Field of work: Setting of electrical installations and equipment

The entire estimated capital value to be privatized amounts to: RSD 28.936.000 or *EUR 373.381 which is 69,895 % of the entire capital of the entity.

Deposit for participation in the auction: RSD 3.472.000 or *EUR 44.806

Initial price at the auction sale: RSD 6.945.000

Minimum obligatory investments into the entity to be privatized amounts to: RSD 1.294.000

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

A) Buildings – main facilities (m²):

1. Production hall (836) 2. Business premises (345)

B) Main equipment:

1) Passenger vehicle (Yugo Florida) 2) Passenger vehicle (Yugo) 3) Office equipment and furniture

C) Land (m²): Entire land: (17228); construction land: (17228) – state owned;

Balance sheet per year:	2006		2007	
Shown in:	RSD	***EUR	RSD	***EUR
Total business revenues	4.056.000	48.225	2.973.000	37.179
Total business expenses	7.173.000	85.286	5.519.000	69.019

Main products/ services: 1) Assemblage and design

Total number of employees: 9; of which BS/ BA: 1

5) Basic information on the entity undergoing privatization: Veterinary station VALJEVO with unlimited liability, VALJEVO

Auction Sale Code: 260908-3158

Official ID number of the Entity: 07136544

Field of work: veterinary activities

The entire estimated capital value to be privatized amounts to: RSD 30.906.000 or *EUR 398.798 which is 70 % of the entire capital of the entity.

Deposit for participation in the auction: RSD 3.709.000 or *EUR 47.856

Initial price at the auction sale: RSD 7.417.000

Minimum obligatory investments into the entity to be privatized amounts to: RSD 1.448.000

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

A) Buildings – main facilities (m²):

1. Veterinary station Valjevo (354) 2. Surgery in Divci (80) 3. Surgery in Donja Grabovica (78) 4. Surgery in Osečina (105) 5. Surgery in Brankovina (66)

B) Main equipment:

1) Passenger vehicle (6) (Zastava Koral) 2) Passenger vehicle (2) (Zastava Koral) 3) Trichinoscope with a screen 4) Copier 5) Computers (2)

C) Land (m²): Entire land: (34790); construction land: (9689) – state owned; agricultural land: (6166) – state owned; forest land: (18935) – state owned;

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

Total business revenues	27.131.000	322.585	30.287.000	378.758
Total business expenses	25.032.000	297.628	28.672.000	358.561

Main products/ services: 1) veterinary activities
Total number of employees: 33; **of which BS/ BA:** 9

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

Auction Sale Code: 260908-3159

Official ID number of the Entity: **07113153**

Field of work: **veterinary activities**

The entire estimated capital value to be privatized amounts to: **RSD 12.739.000** or ***EUR 164.380** which is **70 %** of the entire capital of the entity.

Deposit for participation in the auction: **RSD 1.529.000** or ***EUR 19.726**

Initial price at the auction sale: **RSD 3.057.000**

Minimum obligatory investments into the entity to be privatized amounts to: **RSD 500.000**

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

A) Buildings – main facilities (m²):

1. Veterinary station in Aranđelovac (251) 2. Auxiliary building 1 (55) 3. Auxiliary building 2 (81) 4. Auxiliary building 3 (55) 5. Surgery in Stojnik (128)

B) Main equipment:

1) Trichinoscope 2) Passenger vehicle (Zastava 101) 3) Incubator 4) Seed container

C) Land (m²): *Entire land: (1927) ; construction land: (1927) – state owned;*

Balance sheet per year:	2006		2007		
	Shown in:	RSD	***EUR	RSD	***EUR
Total business revenues		15.148.000	180.108	14.539.000	181.819
Total business expenses		15.929.000	189.394	15.083.000	188.622

Main products/ services: 1) veterinary activities 2) retail trade in concentrate and fodder 3) retail trade in medicines

Total number of employees: 18; **of which BS/ BA:** 6