

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 22.09.2008 to 15.10.2008.

DEADLINE FOR SUBMISSION OF APPLICATIONS IS 16.10.2008. 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 241008, 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: 24.10.2008.

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:

24.10.2008, 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 (24.10.2008.) 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 (24.10.2008.) 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 22.09.2008 to 15.10.2008.

* *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: Socially-owned enterprise SLOBODNA ZONA PRAHOVO, PRAHOVO

Auction Sale Code: 241008-2198p

Official ID number of the Entity: **07365055**

Field of work: **Warehouses and storage**

The entire estimated capital value to be privatized amounts to: **RSD 68.015.000 or *EUR 892.733** which is **70 %** of the entire capital of the entity.

Deposit for participation in the auction: **RSD 5.441.000 or *EUR 71.419**

Initial price at the auction sale: **RSD 10.882.000**

Minimum obligatory investments into the entity to be privatized amounts to: **RSD 265.000**

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

A) Buildings – main facilities (m²):

1. Business facility (169) 2. Doorman's booth (34)

B) Main equipment:

1) Office furniture 2) Automobile (DAEWOO NEXIA GLE)

C) Land (m²): *Entire land: (106506) ; construction land: (106506) – socially owned*

| Balance sheet per year: | | 2006 | | 2007 | |
|--------------------------------|-----------|-------------|-----------|-------------|--------|
| Shown in: | RSD | ***EUR | RSD | ***EUR | ***EUR |
| Total business revenues | 1.325.000 | 15.754 | 0 | 0 | 0 |
| Total business expenses | 2.195.000 | 26.098 | 1.676.000 | 20.959 | 20.959 |

Main products/ services: 1) Real estate lease 2) Warehouse and storage lease 3) Reloading 4) River traffic services 5) Sale agency

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

2) Basic information on the entity undergoing privatization: Veterinary station GORNJI MILANOVAC, GORNJI MILANOVAC

Auction Sale Code: 241008-3050p

Official ID number of the Entity: **07177127**

Field of work: **Veterinary activities**

The entire estimated capital value to be privatized amounts to: **RSD 37.564.000 or *EUR 493.050** which is **70 %** of the entire capital of the entity.

Deposit for participation in the auction: **RSD 3.005.000 or *EUR 39.444**

Initial price at the auction sale: **RSD 6.010.000**

Minimum obligatory investments into the entity to be privatized amounts to: **RSD 649.000**

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

A) Buildings – main facilities (m²):

1. Administrative building Gornji Milanovac (208) 2. Surgery (399) 3. Pharmacy (248) 4. Surgery warehouse (161) 5. Surgery in the village of Drenova (68)

B) Main equipment:

1) Gas installation 2) Containers (3 pieces) (SC 20/20) 3) Trichinoscope (2 pieces) (T-10) 4) Passenger vehicle (Zastava skala) 5) Air-conditioner 6) Magnetic mixer

C) Land (m²): *Entire land: (12268) ; construction land: (5082) – state owned; agricultural land: (6529) – state owned; forest land: (120) – state owned; other types of land: (537) – state owned*

| Balance sheet per year: | | 2006 | | 2007 | |
|--------------------------------|------------|-------------|------------|-------------|---------|
| Shown in: | RSD | ***EUR | RSD | ***EUR | ***EUR |
| Total business revenues | 14.022.000 | 166.720 | 8.771.000 | 109.687 | 109.687 |
| Total business expenses | 18.766.000 | 223.126 | 11.980.000 | 149.817 | 149.817 |

Main products/ services: 1) Animal protection measures 2) Animal treatment 3) Diagnostics 4) Retail trade in medicines and food

Total number of employees: 36; **of which BS/ BA:** 6

3) Basic information on the entity undergoing privatization: Veterinary station MLADENOVAC, MLADENOVAC

Auction Sale Code: 241008-3121p

Official ID number of the Entity: **07045921**

Field of work: **Veterinary activities**

The entire estimated capital value to be privatized amounts to: **RSD 75.833.000 or *EUR 995.351** which is **70 %** of the entire capital of the entity.

Deposit for participation in the auction: **RSD 6.067.000 or *EUR 79.628**

Initial price at the auction sale: **RSD 12.133.000**

Minimum obligatory investments into the entity to be privatized amounts to: **RSD 598.000**

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

A) Buildings – main facilities (m²):

1. Veterinary station in Mladenovac (657) 2. Warehouse and channel with a garage (168) 3. Surgery in Velika Krsna (73) 4. Surgery in Koraćica (68)

B) Main equipment:

1) Transporter (Skala 1,1 Poli LC) 2) Passenger vehicles (3) (Zastava Koral 1,1) 3) Motor mower (FS-120 Stil) 4) Fiscal cah registers (2) (Ei-STN)

C) Land (m²): *Entire land: (12229) ; construction land: (9038) – state owned; agricultural land: (3191) – state owned*

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

| | | | | |
|-------------------------|------------|---------|------------|---------|
| Total business revenues | 32.505.000 | 386.481 | 30.474.000 | 381.096 |
| Total business expenses | 31.982.000 | 380.263 | 30.442.000 | 380.696 |

Main products/ services: 1) Animal treatment 2) Prevention measures 3) Artificial measures 4) Trichinoscope check-up 5) Sale of medicines and fodder

Total number of employees: 28; of which BS/ BA: 11

4) Basic information on the entity undergoing privatization: Public Veterinary station ČUPRIJA, ČUPRIJA

Auction Sale Code: 241008-3132p

Official ID number of the Entity: **07166460**

Field of work: **Veterinary activities**

The entire estimated capital value to be privatized amounts to: **RSD 18.920.000 or *EUR 248.332** which is **70 %** of the entire capital of the entity.

Deposit for participation in the auction: **RSD 1.514.000 or *EUR 19.867**

Initial price at the auction sale: **RSD 3.027.000**

Minimum obligatory investments into the entity to be privatized amounts to: **RSD 251.000**

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

A) Buildings – main facilities (m²):

1. Administrative building (286) 2. Restaurant (97) 3. Garage (137) 4. Surgery in Krušar (70)

B) Main equipment:

1) Trichinoscope 2) Computers (2) 3) Air-conditioner 4) Office equipment

C) Land (m²): *Entire land: (7030) ; construction land: (5390) ;(4627)– state owned; (763)– socially owned; agricultural land: (1640) – socially owned*

| Balance sheet per year: | | 2006 | | 2007 | |
|-------------------------|--|-----------|--------|-----------|--------|
| Shown in: | | RSD | ***EUR | RSD | ***EUR |
| Total business revenues | | 3.200.000 | 38.048 | 4.201.000 | 52.536 |
| Total business expenses | | 3.541.000 | 42.102 | 2.994.000 | 37.442 |

Main products/ services: 1) Veterinary activities

Total number of employees: 8; of which BS/ BA: 5

5) Basic information on the entity undergoing privatization: Socially-owned enterprise for manufacture and trade of leather-fur garments GALANTEKS TREJD, PIROT

Auction Sale Code: 241008-3133p

Official ID number of the Entity: **17393677**

Field of work: **Production of clothes**

The entire estimated capital value to be privatized amounts to: **RSD 23.292.000 or *EUR 305.722** which is **70 %** of the entire capital of the entity.

Deposit for participation in the auction: **RSD 1.863.000 or *EUR 24.458**

Initial price at the auction sale: **RSD 3.727.000**

Minimum obligatory investments into the entity to be privatized amounts to: **RSD 1.430.000**

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

A) Buildings – main facilities (m²):

B) Main equipment:

1) Sewing machine 2) Desks 3) Calibres 4) Irons 5) Tailoring device

C) Land (m²):

| Balance sheet per year: | | 2006 | | 2007 | |
|-------------------------|--|------------|---------|------------|---------|
| Shown in: | | RSD | ***EUR | RSD | ***EUR |
| Total business revenues | | 26.265.000 | 312.288 | 19.215.000 | 240.296 |
| Total business expenses | | 30.034.000 | 357.101 | 25.378.000 | 317.368 |

Main products/ services: 1) Clothes 2) HTZ overalls 3) Other types of clothes

Total number of employees: 12; of which BS/ BA: 1

6) Basic information on the entity undergoing privatization: Public Veterinary station BAJINA BAŠTA, BAJINA BAŠTA

Auction Sale Code: 241008-3183

Official ID number of the Entity: **07155182**

Field of work: **Veterinary activities**

The entire estimated capital value to be privatized amounts to: **RSD 23.536.000 or *EUR 308.924** which is **70 %** of the entire capital of the entity.

Deposit for participation in the auction: **RSD 2.824.000 or *EUR 37.071**

Initial price at the auction sale: **RSD 5.649.000**

Minimum obligatory investments into the entity to be privatized amounts to: **RSD: 1.000.000**

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

A) Buildings – main facilities (m²):

1. Veterinary station (246) 2. Veterinary station in Gvozdac (50) 3. Agricultural pharmacy in Bajina Bašta (17)

B) Main equipment:

1) Passenger vehicles (2) (Jugo 45) 2) Passenger vehicles (Jugo Poli) 3) Containers (4) 4) Air-conditioner

C) Land (m²): *Entire land: (2044) ; construction land: (2044) – state owned*

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

| | | | | |
|-------------------------|------------|---------|------------|---------|
| Total business revenues | 13.631.000 | 162.071 | 11.070.000 | 138.437 |
| Total business expenses | 13.631.000 | 162.071 | 16.891.000 | 211.233 |

Main products/ services: 1) Check-up and treatment of cattle, pigs, dogs, horses, and poultry 2) Delivery of animals 3) Gynaecology and sterility treatment 4) Artificial insemination of cattle and pigs 5) Vaccination 6) Disinfection of vehicles and facilities 7) Deratization

Total number of employees: 25; of which BS/ BA: 5

7) Basic information on the entity undergoing privatization: Holding TERMOVENT socially-owned enterprise for production of cooling devices, BEOGRAD

Auction Sale Code: 241008-3184

Official ID number of the Entity: **07094892**

Field of work: **Production of cooling devices**

The entire estimated capital value to be privatized amounts to: **RSD 353.461.000 or *EUR 4.639.387** which is **70 %** of the entire capital of the entity.

Deposit for participation in the auction: **RSD 42.415.000 or *EUR 556.726**

Initial price at the auction sale: **RSD 84.831.000**

Minimum obligatory investments into the entity to be privatized amounts to: **RSD: 963.000**

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

A) Buildings – main facilities (m²):

1. Administrative building, Rada Neimara 4, Beograd (407) 2. Hall – assemblage, Rada Neimara 4, Beograd (878) 3. Annex to the hall – assemblage, Rada Neimara 4, Beograd (228) 4. Hall – multifunctional, Rada Neimara 4, Beograd (832) 5. Workshop and cloakrooms, Rada Neimara 4, Beograd (322) 6. Workshop – line, Rada Neimara 4, Beograd (255)

B) Main equipment:

1) Universal plane (5 items) 2) Hydraulic press (3) 3) Screw thread machines (2) 4) Gondola za materijal

C) Land (m²): *Entire land: (12654); construction land: (12654) – state owned*

| Balance sheet per year: | | 2006 | | 2007 | |
|-------------------------|------------|---------|------------|---------|--------|
| Shown in: | RSD | ***EUR | RSD | ***EUR | ***EUR |
| Total business revenues | 6.533.000 | 77.677 | 5.367.000 | 67.118 | |
| Total business expenses | 30.813.000 | 366.363 | 30.260.000 | 378.420 | |

Main products/ services: 1) Ventilation 2) Heating 3) Air-conditioning 4) Cooling

Total number of employees: 142; of which BS/ BA: 11

8) Basic information on the entity undergoing privatization: Basic information on the entity undergoing privatization: Public Veterinary station KRUPANJ, KRUPANJ

Auction Sale Code: 241008-3185

Official ID number of the Entity: **06445586**

Field of work: **Veterinary activities**

The entire estimated capital value to be privatized amounts to: **RSD 18.205.000 or *EUR 238.957** which is **70 %** of the entire capital of the entity.

Deposit for participation in the auction: **RSD 2.185.000 or *EUR 28.675**

Initial price at the auction sale: **RSD 4.369.000**

Minimum obligatory investments into the entity to be privatized amounts to: **RSD 1.117.000**

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

A) Buildings – main facilities (m²):

1. Administrative building Krupanj (336) 2. Business facility Zavlaka (130) 3. Business facility Ljubovija (279) 4. Business facility Vrhpolje (58)

B) Main equipment:

1) Digestion 2) Trichinoscope (2) 3) Pigsty 4) Computer (Pentium)

C) Land (m²): *Entire land: (4998); construction land: (4221) – state owned; agricultural land: (222) – state owned; other types of land: (555) – state owned*

| Balance sheet per year: | | 2006 | | 2007 | |
|-------------------------|------------|---------|------------|---------|--------|
| Shown in: | RSD | ***EUR | RSD | ***EUR | ***EUR |
| Total business revenues | 20.470.000 | 243.386 | 15.363.000 | 192.124 | |
| Total business expenses | 20.478.000 | 243.481 | 16.268.000 | 203.442 | |

Main products/ services: 1) Veterinary activities

Total number of employees: 10; of which BS/ BA: 5

9) Basic information on the entity undergoing privatization: Socially-owned enterprise for production, trade and services PALILULA, BEOGRAD

Auction Sale Code: 241008-3186

Official ID number of the Entity: **07562519**

Field of work: **Production of mixed goods**

The entire estimated capital value to be privatized amounts to: **RSD 3.597.000 or *EUR 47.216** which is **70 %** of the entire capital of the entity.

Deposit for participation in the auction: **RSD 360.000 or *EUR 4.722**

Initial price at the auction sale: **RSD 719.000**

Minimum obligatory investments into the entity to be privatized amounts to: **RSD 155.000**

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

A) Buildings – main facilities (m²):

B) Main equipment:

1) Passenger vehicles (2) (Yugo Koral in 1.1) 2) Office furniture 3) Air-conditioner (Gorenje KFS34RV)

C) Land (m²):

| Balance sheet per year: | 2006 | | 2007 | |
|--------------------------------|-------------|---------|-------------|---------|
| Shown in: | RSD | ***EUR | RSD | ***EUR |
| Total business revenues | 11.946.000 | 142.037 | 11.269.000 | 140.926 |
| Total business expenses | 10.886.000 | 129.433 | 11.142.000 | 139.338 |

Main products / services: 1) Service of firefighting apparatuses 2) Workers' training 3) Firefighting services 4) Insulation apparatus services 5) Apparatus sale

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