

In accordance with Article 38 of the Law on Privatization ("Official Gazette of the RS", no-s. 38/01, 18/03, 45/05 and 123/07), and Article 9 of the Decree on sale of capital and property by Public auction ("Official Gazette of the RS" no-s. 52/05 and 91/07),

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 40.000**, 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, Terazije 23, 5th floor, from 09:00 to 16:30, in the period from 15.09.2008 until 15.10.2008.

DEADLINE FOR SUBMISSION OF APPLICATIONS IS 16.10.2008, BY 16:30.

Completed 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: „APPLICATION FOR PARTICIPATION IN THE PUBLIC AUCTION 241008, Privatization Agency, Belgrade, Terazije St. 23, 5th floor”.

IF THERE IS NAME OF THE PRIVATIZATION ENTITY ON THE ENVELOPE, OR FULL AUCTION CODE, THE APPLICATION CAN BE REJECTED.

THE AUCTION WILL BE HELD ON: 24.10.2008

at the address: **Privatization Agency, Belgrade, Terazije 23, 2nd floor, Large Hall, at 11:00.** Registration of the auction participants will be held at the same address on:

24.10.2008, from 09:00 до 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 the first class bank guarantee has been submitted as the means of deposit payment, it has to be due within 48 hours after the declaration a buyer.

Deposit for participation is to be returned within 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 about such changes, if any, until the auction date at the latest.

The site visit shall be carried out after the signing of the Confidentiality Agreement in the period from 15.09.2008 until 15.10.2008.

* *The total estimated capital value to be privatized, stated in EUR, was calculated according to the official exchange rate on the preparation date of the Public invitation.*

** *The data on real estate of the privatization entity from this Public invitation are solely for the purpose of giving information, while the data on legal grounds, ownership type and right to them are presented in the auction documents.*

*** *The total operating income and expense data, stated in EUR, were calculated according to the average annual real exchange rates.*

Brief description of the PUBLIC AUCTION procedure

Sale of capital by the Public auction is carried out by the Auction Commission, which is to be 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 of 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 privatization entity: Socially-owned enterprise for waterpower engineering EROZIJA, VALJVO

Auction sale code: 241008-3176

Official ID number of the entity: **07188986**

Field of work: **Building of hydroconstructions**

The entire estimated capital value to be privatized amounts to: **RSD 138.720.000** or ***EUR 1.809.931**, which is **70 %** of the total entity capital.

Deposit for participation in the auction: **RSD 16.646.000** or ***EUR 217.192**

Initial price at the auction sale: **RSD 33.293.000**

Minimum obligatory investments into the privatization entity amount to: **RSD 5.622.000**

Main assets of the privatization entity **

A) Buildings – main facilities (m²):

1. Administration building I (564) 2. Administration building II (127) 3. Building in Podbukovi (127) 4. Building in seed-plot Jovanja (145) 5. Warehouse of spare parts (295) 6. Workshop with garage (107) 7. Warehouse (147)

B) Main equipment:

1) Loader (Liebherr) 2) Concrete plant 3) Crusher (1100-900) 4) Wheel loader (220) 5) Transporter with rubber belts (B-650 L 18.1) 6) Excavator (RD G-700)

C) Land (m²): *Entire land: (226974); Construction land: (98153) ; (65071) – state-owned; (33082) – socially-owned; Agricultural land: (64803) – socially-owned; Woods: (18094) – socially-owned; Other land: (45924) – socially-owned;*

Balance sheet per year:	2006		2007	
	Shown in:	RSD	***EUR	RSD
Total operating revenues	66.646.000	792.414	64.624.000	808.164
Total operating expenses	58.492.000	695.464	62.240.000	778.350

Main products/services: 1) Building services 2) Maintenance of external and internal waters 3) Services of investing maintenance of dam

Total number of employees: 115; of which **BS/BA:** 12

2) Basic information on the privatization entity: Public veterinary station PARAĆIN, PARAĆIN

Auction sale code: 241008-3177

Official ID number of the entity: **07115652**

Field of work: **Veterinary**

The entire estimated capital value to be privatized amounts to: **RSD 20.420.000** or ***EUR 266.433**, which is **70 %** of the total entity capital.

Deposit for participation in the auction: **RSD 2.450.000** or ***EUR 31.972**

Initial price at the auction sale: **RSD 4.901.000**

Minimum obligatory investments into the privatization entity amount to: **RSD 1.590.000**

Main assets of the privatization entity **

A) Buildings – main facilities (m²):

1. Building (288) 2. Secondary building (49) 3. Surgery Sikirica (127)

B) Main equipment:

1) Passenger vehicle (Seat Ibica) 2) Passenger vehicle (VW) 3) Passenger vehicle (Jugo Skala) 4) Leather suite of furniture 5) Computer 6) Container (2 pieces)

C) Land (m²): *Entire land: (1904); Construction land: (1904) – state-owned;*

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

Total operating revenues	22.887.000	272.124	22.192.000	277.525
Total operating expenses	22.803.000	271.125	22.399.000	280.114

Main products/services: 1) Veterinary
Total number of employees: 30; of which BS/BA: 15

3) Basic information on the privatization entity: Public veterinary station SMEDEREVO, SMEDEREVO

Auction sale code: 241008-3178

Official ID number of the entity: **07644531**

Field of work: **Veterinary**

The entire estimated capital value to be privatized amounts to: **RSD 7.584.000** or ***EUR 98.955**, which is **70 %** of the total entity capital.

Deposit for participation in the auction: **RSD 910.000** or ***EUR 11.874**

Initial price at the auction sale: **RSD 1.820.000**

Minimum obligatory investments into the privatization entity amount to: **RSD 146.000**

Main assets of the privatization entity **

A) Buildings – main facilities (m²):

1. Office space (83)

B) Main equipment:

1) Passenger vehicle (Jugo Tempo 55) 2) Passenger vehicle (Jugo Koral 1,1) 3) Passenger vehicle (Zastava Koral) 4) Sprinkler (Soloport 423)

C) Land (m²):

Balance sheet per year:	2006		2007	
	Shown in:	RSD	***EUR	RSD
Total operating revenues	6.461.000	76.821	8.877.000	111.012
Total operating expenses	8.908.000	105.915	9.230.000	115.427

Main products/services: 1) Veterinary
Total number of employees: 15; of which BS/BA: 5

4) Basic information on the privatization entity: Socially-owned enterprise NARODNI UNIVERZITET PETROVAC, PETROVAC

Auction sale code: 241008-3179

Official ID number of the entity: **07221096**

Field of work: **Educational activities**

The entire estimated capital value to be privatized amounts to: **RSD 286.000** or ***EUR 3.727**, which is **70 %** of the total entity capital.

Deposit for participation in the auction: **RSD 36.000** or ***EUR 473**

Initial price at the auction sale: **RSD 72.000**

Minimum obligatory investments into the privatization entity amount to: **RSD 11.000**

Main assets of the privatization entity **

A) Buildings – main facilities (m²):

B) Main equipment:

1) Sewing machine (2 items) 2) Stove (5 items, AEG 3.5kW) 3) Office equipment 4) Office furniture

C) Land (m²):

Balance sheet per year:	2006		2007	
	Shown in:	RSD	***EUR	RSD
Total operating revenues	1.022.000	12.151	1.137.000	14.219
Total operating expenses	1.017.000	12.092	1.190.000	14.882

Main products/services: 1) Professional trainings for adults 2) Services for School of music 3) Services for College of economy
Total number of employees: 2; of which BS/BA: 0