

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 St. 23, 5th floor, from 09:00 to 16:30, in the period from 25.09.2008 until 22.10.2008.

DEADLINE FOR SUBMISSION OF APPLICATIONS IS 23.10.2008, 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 311008, 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: 31.10.2008

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:

31.10.2008, 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 (31.10.2008) 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 (31.10.2008) 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 visits can be carried out after signing of the Confidentiality Agreement in the period from 25.09.2008 until 22.10.2008.

* *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 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: Veterinary service ŽITORAĐA, ŽITORAĐA

Auction sale code: 311008-3187

Official ID number of the entity: 07227159

Field of work: **Veterinary**

Main assets of the privatization entity **

A) Buildings – main facilities (m²):

1. Building of veterinary station (205) 2. Garages (40)

The entire estimated capital value to be privatized amounts to: **RSD 4.266.000** or ***EUR 55.905**, which is **70 %** of the total entity capital.

Deposit for participation in the auction: **RSD 512.000** or ***EUR 6.709**

Initial price at the auction sale: **RSD 1.024.000**

Minimum obligatory investments into the privatization entity amount to: **RSD 109.000**

B) Main equipment:

1) Passenger vehicle (Jugo Tempo) 2) Passenger vehicle (Jugo Skala) 3) Computer (Pentium) 4) Fiscal cash-register

C) Land (m²): *Entire land: (1104); Construction land: (1104) – state-owned;*

Balance sheet per year:	2006		2007		
	Shown in:	RSD	***EUR	RSD	***EUR
Total operating revenues		5.554.000	66.037	6.226.000	77.860
Total operating expenses		5.244.000	62.351	5.513.000	68.944

Main products/services: 1) Veterinary

Total number of employees: 8; of which BS/BA: 3

2) Basic information on the privatization entity: Veterinary station LAPOVO, LAPOVO

Auction sale code: 311008-3188

Official ID number of the entity: 06108113

Field of work: **Veterinary**

Main assets of the privatization entity **

A) Buildings – main facilities (m²):

1. Building of veterinary station (310) 2. Building in Batocina (200) 3. Building in Badnjevac (90)

The entire estimated capital value to be privatized amounts to: **RSD 14.015.000** or ***EUR 183.655**, which is **70 %** of the total entity capital.

Deposit for participation in the auction: **RSD 1.682.000** or ***EUR 22.039**

Initial price at the auction sale: **RSD 3.364.000**

Minimum obligatory investments into the privatization entity amount to: **RSD 602.000**

B) Main equipment:

1) Passenger vehicle (Zastava 101) 2) Passenger vehicle (3 vehicles, Jugo)

C) Land (m²): *Entire land: (3686); Construction land: (3686) – state-owned;*

Balance sheet per year:	2006		2007		
	Shown in:	RSD	***EUR	RSD	***EUR
Total operating revenues		6.822.000	81.113	5.366.000	67.105
Total operating expenses		8.069.000	95.940	5.027.000	62.866

Main products/services: 1) Veterinary
Total number of employees: 6; of which BS/BA: 2

3) Basic information on the privatization entity: Veterinary station BELA PALANKA, BELA PALANKA

Auction sale code: 311008-3189

Official ID number of the entity: 07106459

Field of work: **Veterinary**

The entire estimated capital value to be privatized amounts to: **RSD 4.335.000** or ***EUR 56.800**, which is **70 %** of the total entity capital.

Deposit for participation in the auction: **RSD 520.000** or ***EUR 6.816**

Initial price at the auction sale: **RSD 1.040.000**

Minimum obligatory investments into the privatization entity amount to: **RSD 265.000**

Main assets of the privatization entity **

A) Buildings – main facilities (m²):

1. Surgery building with flat (221) 2. Garage (27)

B) Main equipment:

1) Passenger vehicle (Jugo Koral 1,1) 2) Passenger vehicle (Jugo Tempo 55) 3) Trichinoscope 4) Computer (Pentium)

C) Land (m²): *Entire land: (1635); Construction land: (1635) – state-owned;*

Balance sheet per year:	2006		2007		
	Shown in:	RSD	***EUR	RSD	***EUR
Total operating revenues	6.906.000		82.112	5.571.000	69.669
Total operating expenses	5.902.000		70.174	5.880.000	73.533

Main products/services: 1) Veterinary 2) Other types of health protection of animals 3) Retail trade in preparations for use in veterinary 4) Retail trade in concentrates for nutrition of animals

Total number of employees: 11; of which BS/BA: 3

4) Basic information on the privatization entity: Veterinary station BOLJEVAC, BOLJEVAC

Auction sale code: 311008-3190

Official ID number of the entity: 07127391

Field of work: **Veterinary**

The entire estimated capital value to be privatized amounts to: **RSD 3.693.000** or ***EUR 48.396**, which is **70 %** of the total entity capital.

Deposit for participation in the auction: **RSD 443.000** or ***EUR 5.808**

Initial price at the auction sale: **RSD 886.000**

Minimum obligatory investments into the privatization entity amount to: **RSD 133.000**

Main assets of the privatization entity **

A) Buildings – main facilities (m²):

1. Building of veterinary station (403)

B) Main equipment:

1) Passenger vehicle (Lada Niva) 2) Passenger vehicle (Jugo)

C) Land (m²): *Entire land: (7082); Construction land: (7082) – state-owned;*

Balance sheet per year:	2006		2007		
	Shown in:	RSD	***EUR	RSD	***EUR
Total operating revenues	8.428.000		100.208	8.367.000	104.635
Total operating expenses	10.874.000		129.291	8.661.000	108.311

Main products/services: 1) Artificial insemination of domestic animals 2) Medical care 3) Prevention measures 4) Issuing of accompanying documentation for domestic animals

Total number of employees: 18; of which BS/BA: 2

5) Basic information on the privatization entity: Veterinary station BOR, BOR

Auction sale code: 311008-3191

Official ID number of the entity: 07183305

Field of work: **Veterinary**

The entire estimated capital value to be privatized amounts to: **EUR 4.764.000** or ***EUR 62.432**, which is **70 %** of the total entity capital.

Deposit for participation in the auction: **RSD 583.000** or ***EUR 7.640**

Initial price at the auction sale: **RSD 1.166.000**

Minimum obligatory investments into the privatization entity amount to: **RSD 694.000**

Main assets of the privatization entity **

A) Buildings – main facilities (m²):

1. Veterinary station Gornjane (40) 2. Veterinary station Bučje (40) 3. Veterinary station Oštrej (32) 4. Veterinary station Krivelj (44)

B) Main equipment:

1) Passenger vehicle (Lada Niva) 2) Passenger vehicle (Jugo Koral) 3) Passenger vehicle (3 vehicles, Jugo Skala) 4) Computer (Pentium)

C) Land (m²): *Entire land: (1638); Construction land: (1638) – state-owned;*

Balance sheet per year:	2006		2007		
	Shown in:	RSD	***EUR	RSD	***EUR
Total operating revenues	11.543.000		137.245	13.576.000	169.776
Total operating expenses	11.341.000		134.843	13.250.000	165.700

Main products/services: 1) Medical protection of animals 2) Artificial insemination of cows 3) Artificial insemination of pigs 4) Control of herds 5) Disinfection, disinsection and deratization 6) Marking of animals

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

6) Basic information on the privatization entity: Enterprise for production of machines, tools, equipment and providing of services FAPROMAL, LUČANI

Auction sale code: 311008-3192

Official ID number of the entity: **07146175**

Field of work: **General purpose machines**

Main assets of the privatization entity **

A) Buildings – main facilities (m²):

1. Hall-warehouse (141) 2. Machine shop (1597) 3. Production hall (1651) 4. Sheet metal shop (394) 5. Forge (153)

The entire estimated capital value to be privatized amounts to: **RSD 53.835.000** or ***EUR 705.458**, which is **70 %** of the total entity capital.

Deposit for participation in the auction: **RSD 6.460.000** or ***EUR 84.655**

Initial price at the auction sale: **RSD 12.920.000**

Minimum obligatory investments into the privatization entity amount to: **RSD 2.533.000**

B) Main equipment:

1) Goods vehicle (GAZ 33023-531) 2) Machine for sheet metal cutting 3) Welding apparatus (VARMIG350SUP) 4) Office equipment 5) Electric milling machine (2 items, UB 20) 6) Drill (GBH-5-40DE HAMER)

C) Land (m²): *Entire land: (16235); Construction land: (16235) – socially-owned;*

Balance sheet per year:		2006		2007	
Shown in:	RSD	***EUR	RSD	***EUR	***EUR
Total operating revenues	163.304.000	1.941.668	110.587.000	1.382.960	
Total operating expenses	160.428.000	1.907.473	116.500.000	1.456.906	

Main products/services: 1) Products of processing equipment 2) Machines

Total number of employees: 71; of which BS/BA: 1

7) Basic information on the privatization entity: Veterinary station ARILJE, ARILJE

Auction sale code: 311008-3193

Official ID number of the entity: **06813178**

Field of work: **Veterinary**

Main assets of the privatization entity **

A) Buildings – main facilities (m²):

1. Office building (174) 2. Warehouse (46) 3. Garage (23)

The entire estimated capital value to be privatized amounts to: **RSD 5.916.000** or ***EUR 77.528**, which is **70 %** of the total entity capital.

Deposit for participation in the auction: **RSD 710.000** or ***EUR 9.303**

Initial price at the auction sale: **RSD 1.420.000**

Minimum obligatory investments into the privatization entity amount to: **RSD 130.000**

B) Main equipment:

1) Passenger vehicle (3 cars– Jugo 55 1,1) 2) Computer 3) Trichinoscope

C) Land (m²): *Entire land: (788); Construction land: (788) – state-owned;*

Balance sheet per year:		2006		2007	
Shown in:	RSD	***EUR	RSD	***EUR	***EUR
Total operating revenues	8.057.000	95.797	7.486.000	93.617	
Total operating expenses	7.955.000	94.584	7.722.000	96.568	

Main products/services: 1) Veterinary

Total number of employees: 5; of which BS/BA: 3

8) Basic information on the privatization entity: Veterinary station PROKUPLJE, PROKUPLJE

Auction sale code: 311008-3194

Official ID number of the entity: **07107277**

Field of work: **Veterinary**

Main assets of the privatization entity **

A) Buildings – main facilities (m²):

1. Administration building of the veterinary station Prokuplje (245) 2. Garages of the veterinary station Prokuplje (132) 3. Veterinary station Mala Plana (313)

The entire estimated capital value to be privatized amounts to: **RSD 12.312.000** or ***EUR 161.339**, which is **70 %** of the total entity capital.

Deposit for participation in the auction: **RSD 1.477.000** or ***EUR 19.361**

Initial price at the auction sale: **RSD 2.955.000**

Minimum obligatory investments into the privatization entity amount to: **RSD 443.000**

B) Main equipment:

1) Passenger vehicle (Zastava Koral 1,1) 2) Passenger vehicle (Lada Niva) 3) Central heating 4) Computer (2 items, Pentium)

C) Land (m²): *Entire land: (9052); Construction land: (9052) – state-owned;*

Balance sheet per year:		2006		2007	
Shown in:	RSD	***EUR	RSD	***EUR	***EUR
Total operating revenues	9.079.000	107.948	11.185.000	139.875	
Total operating expenses	8.685.000	103.264	10.555.000	131.997	

Main products/services: 1) Veterinary 2) Other types of medical protection of animals 3) Retail trade in medical preparations for veterinary use 4) Retail trade in one-day chickens and egg-laying hens

Total number of employees: 13; **of which BS/BA:** 4