

Terazije St. 23, 11000 Belgrade,
Republic of Serbia
phone: (381 11) 3020-804, (381 11)
3020-803
fax: (381 11) 3020-881

Bulevar Kralja Aleksandra 15
11000 Belgrade, Republic of Serbia
phone: (381 11) 33-31-800, (381 11) 33-31-
811
fax: (381 11) 33-31-831

According to Article 38 of the Law on privatization ("Official Gazette RS", no. 38/01, 18/03, 45/05 and 123/07), the Law on Share Fund ("Official Gazette RS" no. 38/01 and 45/05), the Law on Privatization Agency ("Official Gazette RS" 38/01 and 135/04) and Article 9 of the Decree on sale of capital and assets by public auction ("Official Gazette RS" no. 52/05, 91/07), Privatization Agency and Share Fund are announcing:

PUBLIC INVITATION FOR PARTICIPATION IN PUBLIC AUCTION

Basic data on auction sale

Privatization Agency and Share Fund offer the stake of the Share Fund of the Republic of Serbia in the capital of the enterprise DRUŠTVO ZA FIZIČKU KULTURU I ODMOR "PARTIZAN" ŽARKOVO DOO, which is 18,66% of the total capital of the enterprise.

Interested parties can purchase the auction documents at the price of: **RSD 15.000**, after they receive the invoice from the Privatization Agency. VAT is not calculated in the price. Purchase of the auction documents is obligatory. 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 14.10.2008 until 12.11.2008.

DEADLINE FOR SUBMISSION OF APPLICATIONS IS 13.11.2008, BY 16:30.

Completed application, which is a part of the auction documents, with the signed draft SPA and the deposit payment evidence, is to be submitted in a sealed envelope marked with: „APPLICATION FOR PARTICIPATION IN PUBLIC AUCTION 211108-A, Privatization Agency, Belgrade, Terazije 23, 5th floor”.

IF THERE IS NAME OF THE COMPANY WHOSE STAKES ARE THE SUBJECT OF SALE ON THE ENVELOPE, OR FULL AUCTION CODE, THE APPLICATION CAN BE REJECTED.

THE AUCTION WILL BE HELD ON: 21.11.2008

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: **21.11.2008, from 09.00 to 10.50.**

Means of payment can be in domestic currency and foreign convertible currency. Declared buyer cannot pay the selling price in installments.

Deposit for participation in the auction amounts to 50% of the initial price of the stake, and can be paid in money or by submitting the first-class bank guarantee.

The deposit is to be paid into the account of the Privatization Agency, number: 840-1327721-76, call upon number: 211108-A-1990.

In case the first-class bank guarantee has been submitted as means of deposit payment security, it has to be payable within 48 hours after declaration the buyer at the auction.

After signing of the SPA, the buyer shall, at the latest within 3 weekdays following the signing date of the SPA, pay in the selling price from the SPA to the Share Fund, reduced for the deposited amount, i.e. the total selling price if the buyer has submitted the bank-guarantee for the deposit coverage.

Deposit for participation in the public auction is to be returned to the participants not having been declared a buyer within 8 days following the date of the public auction, except to the participant who has bid the second-ranked offer. Privatization Agency keeps the right to change the auction date and 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 deposited amount, expressed in EUR, was calculated according to the official exchange rate as of 09.10.2008.*

Brief description of the PUBLIC AUCTION procedure

The sale of stake by the public auction is carried out by the Auction commission which is established by the Privatization Agency and Share Fund. The Commission supervises the sale by auction, registers auction participants, declares auction unsuccessful, signs the minutes and carries out other activities important for auction performance in accordance with the Law. The conditions for auction to be carried out have been 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 bidding.

If there is more than one person at the bidding, the auctioneer shall announce 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 auction is declared unsuccessful and participants lose the right to be returned the deposit.

If only one party who has obtained the auction participant status attends the 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 at the same time 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 for the enterprise Društvo za fizičku kulturu i odmor PARTIZAN ŽARKOVO DOO, BELGRADE, Prote Milorada Pavlovića St. 54Auction sale code: **211108-A-1990**Official ID number of the entity: **07095597**Field of work: **Sport activities****Deposit** for participation in the auction amounts to: **RSD 4.377.000** or ***EUR 54.555****Initial price** at the auction sale amounts to: **RSD 8.754.000**

Balance sheet per year:	2006	2007
Shown in:	RSD (000)	RSD (000)
Total operating revenues	17.019	19.221
Total operating expenses	21.449	23.640