

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 20.10.2008 to 12.11.2008.

DEADLINE FOR SUBMISSION OF APPLICATIONS IS 13.11.2008 AT 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 211108, 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: 21.11.2008.

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:

21.11.2008, 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 (21.11.2008.) 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 (21.11.2008.) 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 20.10.2008 to 12.11.2008.

* *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 for roads PUTOGADNJA, POŽAREVAC

Auction Sale Code: 211108-3058p

Official ID number of the Entity: 17299735

Field of work: **building of roads, runways etc.**

The entire estimated capital value to be privatized amounts to: **RSD 29.657.000 or *EUR 365.140** which is **70 %** of the entire capital of the entity.

Deposit for participation in the auction: **RSD 2.373.000 or *EUR 29.211**

Initial price at the auction sale: **RSD 4.745.000**

Minimum obligatory investments into the entity to be privatized amounts to: **RSD 1.529.000**

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

A) Buildings – main facilities (m²):

1. Administrative building (422) 2. Warehouse (210) 3. Warehouse (166)

B) Main equipment:

1) Oil tank 2) Loading–shovel (ULT 160C) 3) Grader (MG–145) 4) Bulldozer (TG–140) 5) Finisher (K–6) 6) Grader (G–31)

C) Land (m²): *Entire land: (30225) ; agricultural land: (16422) – socially-owned; forest land: (7253) – socially owned; other types of land: (6550) – socially owned;*

Balance sheet per year:		2006		2007	
Shown in:		RSD	***EUR	RSD	***EUR
Total business revenues		32.153.000		14.214.000	177.755
Total business expenses		31.517.000		16.513.000	206.505

Main products/ services: 1) **building of roads, runways and sport fields**

Total number of employees: 38; of which **BS/ BA:** 0

2) Basic information on the entity undergoing privatization: Joint-stock company for production of telecommunications and systems VF HOLDING, BEOGRAD

Auction Sale Code: 211108-3084p

Official ID number of the Entity: 07026595

Field of work: **Production of tv and radio transmitter**

The entire estimated capital value to be privatized amounts to: **RSD 127.746.000 or *EUR 1.572.837** which is **41,3 %** of the entire capital of the entity.

Deposit for participation in the auction: **RSD 10.220.000 or *EUR 125.827**

Initial price at the auction sale: **RSD 20.439.000**

Minimum obligatory investments into the entity to be privatized amounts to: **RSD 0**

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

A) Buildings – main facilities (m²):

1. Building for production of telecommunications devices, Cvetna 4, Beograd (2886) 2. Catering trade building, Cvetna 4, Beograd (487) 3. Doorman's booth, Cvetna 4, Beograd (9)

B) Main equipment:

1) Laser portable modulator (OTDR) 2) FSM–30S with tools 3) Passenger vehicle (LADA 111, 1.5) 4) Passenger vehicle (LADA 1500 KARAVAN) 5) Computer (12) (PC PENTIUM) 6) Office equipment

C) Land (m²): *Entire land: (6780) ; construction land: (6780) – socially owned;*

Balance sheet per year:		2006		2007	
Shown in:		RSD	***EUR	RSD	***EUR
Total business revenues		47.182.000		8.122.000	101.571
Total business expenses		48.373.000		42.325.000	529.301

Main products/ services: 1) Primary multiplexer 2) Line devices 3) Radio modems 4) radio devices 5) Battery diagnostic device 6) Multichannel multiplex devices

Total number of employees: 41; of which **BS/ BA:** 6

3) Basic information on the entity undergoing privatization: Socially-owned agricultural enterprise JAGODINA, JAGODINA

Auction Sale Code: 211108-3091p

Official ID number of the Entity: 07274629

Field of work: **Growing of grains and other crops**

The entire estimated capital value to be privatized amounts to: **RSD 535.409.000 or *EUR 6.592.063** which is **70 %** of the entire capital of the entity.

Deposit for participation in the auction: **RSD 26.770.000 or *EUR 329.603**

Initial price at the auction sale: **RSD 53.541.000**

Minimum obligatory investments into the entity to be privatized amounts to: **RSD 6.475.000**

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

A) Buildings – main facilities (m²):

1. Administrative building in Jagodina (599) 2. Administrative building in Končarevo (184) 3. Cow stables no. 1 Rit (1596) 4. Cow stables no.2 Rit (1596) 5. Stables for big cattle in Končarevo (1743) 6. Silo boxes (1915)

B) Main equipment:

1) Silo combine (ZMAJ 351) 2) Irrigation device (EBIKAM) 3) Silo combine (BOLJEVAC) 4) Tractor (RAKOVICA) 5) Woden trailer (5 T)

C) Land (m²): *Entire land: (12354999) ; agricultural land: (12354999) – socially owned (2,470,189); – state owned (9,884,810);*

Balance sheet per year:		2006		2007	
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Shown in:	RSD	***EUR	RSD	***EUR
Total business revenues	0	0	2.376.000	29.713
Total business expenses	19.329.000	229.820	12.482.000	156.095

Main products/ services: 1) Agricultural production
Total number of employees: 17; of which BS/ BA: 2

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

Auction Sale Code: 211108-3159p

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

Field of work: **Veterinary activities**

The entire estimated capital value to be privatized amounts to: **RSD 12.701.000 or *EUR 156.381** which is **70 %** of the entire capital of the entity.

Deposit for participation in the auction: **RSD 1.016.000 or *EUR 12.510**

Initial price at the auction sale: **RSD 2.032.000**

Minimum obligatory investments into the entity to be privatized amounts to: **RSD 498.000**

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

A) Buildings – main facilities (m²):

1. Veterinary station Aranđelovac (251) 2. Auxiliary building 1 (55) 3. Auxiliary building 2 (81) 4. Auxiliary building 3 (55) 5. Veterinary 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) – socially 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 station 2) Retail trade in concentrate and fodder 3) Retail trade

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

5) Basic information on the entity undergoing privatization: Veterinary station NOVI KNEŽEVAC, NOVI KNEŽEVAC

Auction Sale Code: 211108-3168p

Official ID number of the Entity: **08483671**

Field of work: **Veterinary activities**

The entire estimated capital value to be privatized amounts to: **RSD 9.718.000 or *EUR 119.645** which is **70 %** of the entire capital of the entity.

Deposit for participation in the auction: **RSD 668.000 or *EUR 8.230**

Initial price at the auction sale: **RSD 1.337.000**

Minimum obligatory investments into the entity to be privatized amounts to: **RSD 131.000**

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

A) Buildings – main facilities (m²):

1. Surgery (115) 2. Auxiliary residential building (157)

B) Main equipment:

1) Liquid nitrate container 2) Computer (Pentium 4) 3) Passenger vehicle (4) (Jugo) 4) Trichinoscope

C) Land (m²): Entire land: (5841); construction land: (5841) – state owed;

Balance sheet per year:		2006		2007	
Shown in:	RSD		***EUR	RSD	***EUR
Total business revenues	8.690.000		103.323	6.295.000	78.723
Total business expenses	8.203.000		97.533	5.674.000	70.957

Main products/ services: 1) Health protection and animal treatment 2) Artificial insemination and reproduction of domestic animals 3) Trade in veterinary medicines, additives and fodder 4) Protection and improvement of environment

Total number of employees: 13; of which BS/ BA: 5

6) Basic information on the entity undergoing privatization: Socially owned enterprise VOĆNO LOZNI RASADNIK, LAZAREVAC

Auction Sale Code: 211108-3169p

Official ID number of the Entity: **07013884**

Field of work: **Growing of fruit seedlings**

The entire estimated capital value to be privatized amounts to: **RSD 70.072.000 or *EUR 862.740** which is **70 %** of the entire capital of the entity.

Deposit for participation in the auction: **RSD 3.504.000 or *EUR 43.137**

Initial price at the auction sale: **RSD 7.007.000**

Minimum obligatory investments into the entity to be privatized amounts to: **RSD 1.562.000**

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

A) Buildings – main facilities (m²):

1. Administrative building 1 (100) 2. Administrative building 2 (67) 3. Seedlings warehouse (604) 4. Warehouse (97)

B) Main equipment:

1) Transporter (Rival 4910) 2) Tractor (Belorus MTZ) 3) Passenger vehicles (2) (Lada) 4) Motocultivator (IMT 506) 5) Trimmer (FS-350) 6) Mower (Stil) 7) Pump (Jastrebac)

C) Land (m²): Entire land: (459437); agricultural land: (459437) – state owned (435396); – socially owned (24041);

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

Total business revenues	9.161.000	108.923	7.360.000	92.041
Total business expenses	15.285.000	181.737	13.605.000	170.139

Main products/ services: 1) Growing of fruit seedlings

Total number of employees: 8; of which BS/ BA: 2

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

Auction Sale Code: 211108-3204

Official ID number of the Entity: **07129025**

Field of work: **Veterinary activities**

The entire estimated capital value to be privatized amounts to: **RSD 56.217.000 or *EUR 692.152** which is **70 %** of the entire capital of the entity.

Deposit for participation in the auction: **RSD 6.746.000 or *EUR 83.058**

Initial price at the auction sale: **RSD 13.492.000**

Minimum obligatory investments into the entity to be privatized amounts to: **RSD 814.000**

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

A) Buildings – main facilities (m²):

1. Administrative building – shed (188) 2. Administrative building (110) 3. Slaughterhouse (594) 4. Stable with boxes (259)

B) Main equipment:

1) Trichinoscope 2) Passenger vehicle (Lada 1,3) 3) Passenger vehicle (Yugo 45) 4) Computer (2) (Pentium 4)

C) Land (m²): *Entire land: (26289) ; construction land: (7687) – state owned; agricultural land: (16164) – state owned; forest land: (2438) – state owned;*

Balance sheet per year:		2006		2007	
Shown in:		RSD	***EUR	RSD	***EUR
Total business revenues	15.159.000	180.239		17.729.000	221.712
Total business expenses	13.589.000	161.572		16.324.000	204.142

Main products/ services: 1) Veterinary activities 2) Veterinary medical services 3) Artificial insemination of cows and pigs 4) Sale of medicines in veterinary pharmacy 5) Slaughter of animals, sale of meat and meat products

Total number of employees: 22; od toga VSS: 3

8) Basic information on the entity undergoing privatization: Socially-owned enterprise for knitwear and yarn ITP, GRDELICA

Auction Sale Code: 211108-3205

Official ID number of the Entity: **07213450**

Field of work: **Production of pullovers**

The entire estimated capital value to be privatized amounts to: **RSD 22.511.000 or *EUR 277.164** which is **70 %** of the entire capital of the entity.

Deposit for participation in the auction: **RSD 2.251.000 or *EUR 27.716**

Initial price at the auction sale: **RSD 4.502.000**

Minimum obligatory investments into the entity to be privatized amounts to: **RSD 80.000**

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

A) Buildings – main facilities (m²):

1. Building no. 1 (580) 2. Building no. 3 (303) 3. Building no. 5 (141) 4. Building no. 10 (8)

B) Main equipment:

1) Steam boiler (2) (BKG-1,5) 2) Manual knitting machine (12) (Apatin) 3) Semi-automatic knitting machines (2) (Apatin) 4) Machine "Univerzal" (10) (D7081 MC-u) 5) Knitting machine (4) (Dijamant)

C) Land (m²): *Entire land: (4995) ; construction land: (4995) – socially owned;*

Balance sheet per year:		2006		2007	
Shown in:		RSD	***EUR	RSD	***EUR
Total business revenues	1.000	12		122.000	1.526
Total business expenses	330.000	3.924		900.000	11.255

Main products/ services: 1) Textile

Total number of employees: 4; of which BS/ BA: 0

9) Basic information on the entity undergoing privatization: Socially-owned trade enterprise ZVEZDA with unlimited liability, SURDULICA

Auction Sale Code: 211108-3206

Official ID number of the Entity: **06154573**

Field of work: **Retail trade in mixed goods**

The entire estimated capital value to be privatized amounts to: **RSD 101.853.000 or *EUR 1.254.030** which is **70 %** of the entire capital of the entity.

Deposit for participation in the auction: **RSD 12.222.000 or *EUR 150.483**

Initial price at the auction sale: **RSD 24.445.000**

Minimum obligatory investments into the entity to be privatized amounts to: **RSD 3.550.000**

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

A) Buildings – main facilities (m²):

1. Store no. 1 – Surdulica (171) 2. Store no. 38 with an auxiliary building – Kostreševce (638) 3. Store Istok – Surdulica (862) 4. Store Jug – Surdulica (780)

B) Main equipment:

1) Van (Rival) 2) Automobile (Renault Megan) 3) Truck 4) Fork-lift truck 5) Small refrigerator lorry (2000)

C) Land (m²): *Entire land: (7699) ; construction land: (6096) – socially owned; agricultural land: (1603) – socially owned;*

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

Total business revenues	44.381.000	527.686	23.752.000	297.034
Total business expenses	50.702.000	602.842	30.021.000	375.431

Main products/ services: 1) Trade in textile 2) Trade in footwear 3) Trade in food products

Total number of employees: 54; **of which BS/ BA:** 1

10) Basic information on the entity undergoing privatization: CENTAR ZA STRATEGIJSKE STUDIJE – Joint-stock company in mixed ownership, BEOGRAD

Auction Sale Code: 211108-3207

Official ID number of the Entity: **07452098**

Field of work: **Research in humanities**

The entire estimated capital value to be privatized amounts to: **RSD 64.123.000** or ***EUR 789.490** which is **69,265 %** of the entire capital of the entity.

Deposit for participation in the auction: **RSD 7.695.000** or ***EUR 94.739**

Initial price at the auction sale: **RSD 15.389.000**

Minimum obligatory investments into the entity to be privatized amounts to: **RSD 46.000**

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

A) Buildings – main facilities (m²):

1. Business premises, Makedonska 25, Beograd (33) 2. Business premises on 2nd floor, Makedonska 25, Beograd (52) 3. Business premises on III floor, Makedonska 25, Beograd (258) 4. Common premises, Makedonska 25, Beograd (574)

B) Main equipment:

C) Land (m²):

Balance sheet per year:	2006		2007	
	RSD	***EUR	RSD	***EUR
Shown in:				
Total business revenues	1.584.000	18.834	0	0
Total business expenses	1.702.000	20.237	1.607.000	20.097

Najvažniji proizvodi/usluge: 1) Research 2) Publishing of magazines and periodicals

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