

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 20.10.2008 until 19.11.2008.

DEADLINE FOR SUBMISSION OF APPLICATIONS IS 20.11.2008, 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 281108, 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: 28.11.2008

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

28.11.2008, 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 (28.11.2008) 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 (28.11.2008) 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 can be carried out after signing of the Confidentiality Agreement in the period from 20.10.2008 until 19.11.2008.

** 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 TRGOVINA, VUČJE				
Auction sale code: <u>281108-3083p</u>		The entire estimated capital value to be privatized amounts to: RSD 17.013.000 or *EUR 209.473 , which is 70 % of the total entity capital.		
Official ID number of the entity: 07196261		Deposit for participation in the auction: RSD 1.361.000 or EUR 16.758		
Field of work: Wholesale of home appliances		Initial price at the auction sale: RSD 2.722.000		
Main assets of the privatization entity **		Minimum obligatory investments into the privatization entity amount to: RSD 1.652.000		
A) Buildings – main facilities (m²): 1. Warehouse (1042) 2. Shop in Bunuški Čifluk (62) 3. Shop in Radonjica (50) 4. Shop in Jajina (147)		B) Main equipment: 1) Gas bottles 2) Baking trays 3) Fiscal cash-registers (2 items) 4) Office furniture 5) Bread handcart 6) Pot with a heater		
C) Land (m²):				
Balance sheet per year:		2006	2007	
Shown in:	RSD	***EUR	RSD	***EUR
Total operating revenues	827.000	9.833	1.153.000	14.419
Total operating expenses	1.113.000	13.233	1.342.000	16.783
Main products/services: 1) Wholesale of and retail trade in home appliances				
Total number of employees: 2; of which BS/BA: 1				
2) Basic information on the privatization entity: Socially-owned enterprise for tourism LEPTERIJA, SOKOBANJA				
Auction sale code: <u>281108-3208</u>		The entire estimated capital value to be privatized amounts to: RSD 874.552.000 or *EUR 10.767.648 , which is 70 % of the total entity capital.		
Official ID number of the entity: 07201923		Deposit for participation in the auction: RSD 104.946.000 or *EUR 1.292.118		
Field of work: Hotels and motels, with resturant		Initial price at the auction sale: RSD 209.892.000		
Main assets of the privatization entity **		Minimum obligatory investments into the privatization entity amount to: RSD 14.376.000		
A) Buildings – main facilities (m²): 1. Hotel «Zdravljak» (6693) 2. Sports facility – football field (5807) 3. Sports facility – tennis court (2770) 4. Sports facility – handball playground (2166) 5. Hotel «Turist» (1878) 6. Restaurant «Coka» (284)		B) Main equipment: 1) Restaurant equipment 2) Heating maintenance equipment 3) Means of transpotation 4) Office equipment and furniture 5) Refrigerating equipment 6) Hotel equipment		
C) Land (m²): <i>Entire land: (126883); Construction land: (109501) – state-owned (109042); – socially-owned (459); Agricultural land: (11055) – state-owned (5275); – socially-owned (5780); Other land: (6327) – state-owned (228); – socially-owned (6099);</i>				
Balance sheet per year:		2006	2007	
Shown in:	RSD	***EUR	RSD	***EUR
Total operating revenues	114.681.000	1.363.546	119.297.000	1.491.884
Total operating expenses	131.557.000	1.564.200	132.249.000	1.653.857
Main products/services: 1) Accomodation services 2) Restaurant services				
Total number of employees: 136; of which BS/BA: 6				
3) Basic information on the privatization entity: Joint-stock company shipyard SAVA, MAČVANSKA MITROVICA				
Auction sale code: <u>281108-3209</u>		The entire estimated capital value to be privatized amounts to: RSD 169.718.000 or *EUR 2.089.603 , which is 67,263 % of the total entity capital.		
Official ID number of the entity: 08014175		Deposit for participation in the auction: RSD 20.366.000 or *EUR 250.752		
Field of work: Construction and overhaul of ships		Initial price at the auction sale: RSD 40.732.000		
Main assets of the privatization entity **		Minimum obligatory investments into the privatization entity amount to: RSD 16.507.000		
A) Buildings – main facilities (m²): 1. Upholster's workshop, archives, cloakroom, bathroom and offices (148) 2. Ship construction hall (1335) 3. Ship construction hall with annexes and open part (6796) 4. AB plateaus, horizontal part and space for production of volume sections (23000) 5. Warehouse (3600)		B) Main equipment: 1) Office furniture 2) Car jack (MIN AD 32) 3) Universal lathe (PA 631) 4) Crane 5) Truck «Tam» (190 T) 6) Hydraulical scissors (BN) 7) Hydraulic press		

C) Land (m²): Entire land: (365970); Construction land: (365970) – state-owned (52098), socially-owned (313872);				
Balance sheet per year:	2006		2007	
Shown in:	RSD	***EUR	RSD	***EUR
Total operating revenues	81.472.000	968.694	133.306.000	1.667.075
Total operating expenses	151.217.000	1.797.955	194.656.000	2.434.295
Main products/services: 1) Overhaul of ships 2) Non-ship construction activities – production of all types of metal products, bending, cutting, punching of elements				
Total number of employees: 222; of which BS/BA: 17				