

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 08.12.2008 to 21.01.2009.

DEADLINE FOR SUBMISSION OF APPLICATIONS IS 22.01.2009 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 300109, 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: 30.01.2009.

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: **30.01.2009, 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 (30.01.2009.) 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 (30.01.2009.) 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 08.12.2008 to 21.01.2009.

* *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 agricultural production, processing and trade EKO-HRANA, BOLJEVAC

Auction Sale Code: 300109-1699p

Official ID number of the Entity: **17032151**

Field of work: **Mixed farming**

The entire estimated capital value to be privatized amounts to: **RSD 191.385.000 or *EUR 2.132.382** which is **70 %** of the entire capital of the entity.

Deposit for participation in the auction: **RSD 15.311.000 or *EUR 170.590**

Initial price at the auction sale: **RSD 30.622.000**

Minimum obligatory investments into the entity to be privatized amounts to: **RSD 2.126.000**

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

A) Buildings – main facilities (m²):

1. Food industry building (2591) 2. Pig foddering facility (715) 3. Administrative building (249) 4. Farm (824)

B) Main equipment:

1) Office furniture

C) Land (m²): *Entire land: (20234743) ; construction land: (106102) – socially owned; agricultural land: (18946651) – state owned (13709378); – socially owned (5237273); Forest land: (1132562) – socially owned; Other types of land: (49428) – socially owned;*

Balance sheet per year:	2006		2007	
	Shown in:	RSD	***EUR	RSD
Total business revenues	782.000	9.298	0	0
Total business expenses	7.618.000	90.577	5.362.000	67.055

Main products/ services: 1) Heating wood 2) Wheat 3) Charcoal wood

Total number of employees: 6; **of which BS/ BA:** 0

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

Auction Sale Code: 300109-3206p

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

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

The entire estimated capital value to be privatized amounts to: **RSD 102.869.000 or *EUR 1.146.152** which is **70 %** of the entire capital of the entity.

Deposit for participation in the auction: **RSD 8.230.000 or *EUR 91.692**

Initial price at the auction sale: **RSD 16.459.000**

Minimum obligatory investments into the entity to be privatized amounts to: **RSD 3.585.000**

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 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. godinu	
	Shown in:	Din	***EUR	Din
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

3) Basic information on the entity undergoing privatization: Joint-stock enterprise shipyard SAVA, MAČVANSKA MITROVICA

Auction Sale Code: 300109-3209p

Official ID number of the Entity: **08014175**

Field of work: **Building and repair of ships**

The entire estimated capital value to be privatized amounts to: **RSD 171.412.000 or *EUR 1.909.844** which is **67,263 %** of the entire capital of the entity.

Deposit for participation in the auction: **RSD 13.713.000 or *EUR 152.788**

Initial price at the auction sale: **RSD 27.426.000**

Minimum obligatory investments into the entity to be privatized amounts to: **RSD 16.671.000**

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

A) Buildings – main facilities (m²):

1. Wallpaper workshop, archives, cloakroom, bathroom and offices (148) 2. Shipbuilding hall (1335) 3. Shipbuilding hall with annexes (6796) 4. AB plateaus, transport, horizontal part and volume section manufacturing space (23000) 5. Warehouse (3600)

B) Main equipment:

1) Office equipment 2) Car jack (MIN AD 32) 3) General plane (PA 631) 4) Crane 5) Truck (190 T) 6) Hydraulic scissors (BN) 7) Ship hydraulic press

C) Land (m²): *Entire land: (365970) ; construction land: (365970) – state owned (52098), socially owned (313872);*

Balance sheet per year:	2006		2007	
	RSD	***EUR	RSD	***EUR
Shown in:				
Total business revenues	81.472.000	968.694	133.306.000	1.667.075
Total business expenses	151.217.000	1.797.955	194.656.000	2.434.295

Main products/ services: 1) Repair of all kinds of vessels 2) Manufacture of metal products, bending, cutting of elements

Total number of employees: 254; **of which BS/ BA:** 4

4) Basic information on the entity undergoing privatization: Trade joint-stock company JUGOBICIKL, BEOGRAD

Auction Sale Code: 300109-3212p

Official ID number of the Entity: **07077548**

Field of work: **Advertising**

The entire estimated capital value to be privatized amounts to: **RSD 81.222.000 or *EUR 904.964** which is **69,496 %** of the entire capital of the entity.

Deposit for participation in the auction: **RSD 6.498.000 or *EUR 72.397**

Initial price at the auction sale: **RSD 12.995.000**

Minimum obligatory investments into the entity to be privatized amounts to: **RSD 756.000**

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

A) Buildings – main facilities (m²):

1. Business premises on the 2nd floor, Dinarska 14, Beograd (293) 2. usiness premises on the ground floor, Dinarska 14, Beograd (62)

B) Main equipment:

1) Office equipment 2) Office furniture

C) Land (m²):

Balance sheet per year:	2006		2007	
	RSD	***EUR	RSD	***EUR
Shown in:				
Total business revenues	11.865.000	141.074	7.454.000	93.217
Total business expenses	12.610.000	149.932	12.385.000	154.882

Main products/ services: 1) Sale of motor vehicles 2) Sale of components and equipment for motor vehicles 3) Sale of motorcycles 4) Agency in sale of furniture, household equipment, metal and iron goods

Total number of employees: 8; **of which BS/ BA:** 0

5) Basic information on the entity undergoing privatization: Holding company – agricultural industrial combine ALEKSINAC–PIK, ALEKSINAC

Auction Sale Code: 300109–3219p

Official ID number of the Entity: **07212097**

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

The entire estimated capital value to be privatized amounts to: **RSD 754.807.000 or *EUR 8.409.943** which is **70 %** of the entire capital of the entity.

Deposit for participation in the auction: **RSD 60.385.000 or *EUR 672.796**

Initial price at the auction sale: **RSD 120.769.000**

Minimum obligatory investments into the entity to be privatized amounts to: **RSD 18.027.000**

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

A) Buildings – main facilities (m²):

1. Stable (1852) 2. Kiln (2667) 3. Cold-storage room (1860) 4. Cow stable (1852) 5. Calf delivering facility (1852) 6. Hotel Rudar (525) 7. Administrative building – one part (300) 8. Building of wine cellar with an administrative facility (1526) 9. Motel «Mali cvet Bovan» (468) 10. Slaughterhouse (520)

B) Main equipment:

1) Office equipment 2) Wine production line 3) Drying line 4) Juice line 5) Slaughter line 6) Freezing line 7) Irrigation device

C) Land (m²): *Entire land: (13107453); construction land: (8890519) – state owned; agricultural land: (4216934) – socially owned;*

Bilans uspeha za:	2006. godinu		2007. godinu		
	Iskazan u:	Din	***EUR	Din	***EUR
Ukupni poslovni prihodi		36.328.000	431.936	15.343.000	191.874
Ukupni poslovni rashodi		87.521.000	1.040.616	72.590.000	907.784

Main products/ services: 1) Fruit drying 2) Freezing of fruit, vegetables and meat 3) Meat processing

Total number of employees: 89; **of which BS/ BA:** 19

6) Basic information on the entity undergoing privatization: Socially-owned enterprise ZVEZDA, KRUŠEVAC

Auction Sale Code: 300109–3220p

Official ID number of the Entity: **07102569**

Field of work: **Production of clothes**

The entire estimated capital value to be privatized amounts to: **RSD 366.001.000 or *EUR 4.077.923** which is **70 %** of the entire capital of the entity.

Deposit for participation in the auction: **RSD 29.280.000 or *EUR 326.234**

Initial price at the auction sale: **RSD 58.560.000**

Minimum obligatory investments into the entity to be privatized amounts to: **RSD 5.718.000**

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

A) Buildings – main facilities (m²):

1. Production-business buildings 1 i 2 (3585) 2. Production-business buildings out of Kruševac (800) 3. Store (94) 4. Boutique «Zvezda» (60)

B) Main equipment:

1) Press for ready-made clothes 2) Wardrobes 3) Garment sections 4) Sewing machines (various types) 5) Compressor

C) Land (m²): *Entire land: (28082); construction land: (28082) – state owned;*

Bilans uspeha za:	2006		2007		
	Iskazan u:	RSD	***EUR	RSD	***EUR
Ukupni poslovni prihodi		45.040.000	535.521	58.444.000	730.879
Ukupni poslovni rashodi		70.929.000	843.339	72.281.000	903.919

Main products/ services: 1) Men and women's suits 2) Coats 3) Trousers 4) Jackets 5) Sewing services

Total number of employees: 215; **of which BS/ BA:** 5