

In accordance with Article 38 of the Law on Privatization ("Official Gazette of the RS", nos. 38/01, 18/03 45/05,123/2007 and 123/2007 other laws), and Article 9 of the Decree on sale of capital and property by Public auction ("Official Gazette of the RS" nos. 52/05 91/07 and 960/08),
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 12.02.2009 to 18.03.2009

The following entities have the right to participate in the Public Auction:

A) Domestic or foreign legal entity which cumulatively fulfils the following requirements:

1. It is registered for performing business related to activity group 55 – motels and restaurants,
2. It achieved total annual operating revenues of minimum (based on the data from the financial statement for 2007) 2.000.000,00 EUR in the last business year,
3. It owns a hotel which is categorized as a four-star hotel, which shall be proved by the Ruling on Catering Trade Facility Categorization issued by the Ministry of Economy and Regional Development in accordance with the provisions of the Law on Tourism («Official Gazette of the Republic of Serbia» no. 45/05), i.e. by the Ruling on Categorization issued by the competent body of the state in which a potential auction participant is registered.

The legal entity shall be deemed to fulfil the necessary requirements for participation in the auction if it owns more than 50% of the capital of the legal entity which cumulatively fulfils the requirements for participation in the public auction.

B) Domestic or foreign individual

1. which owns more than 50% of the capital of the legal entity which cumulatively fulfils the requirements referring to legal entities for participation in the public auction.

C) Consortium – the consortium shall be deemed to fulfil the necessary requirements from this Public Invitation if the consortium members meeting the requirements have at least 51% of the entire stake in the consortium.

DEADLINE FOR SUBMISSION OF APPLICATIONS IS 19.03.2009 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 270309, 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: 27.03.2009.

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: **27.03.2009, 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 (27.03.2009.) 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 (27.02.2009.) 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 12.02.2009 to 18.03.2009.

* Ukupna procenjena vrednost kapitala koji se privatizuje, izražena u EUR-ima, obračunata je po zvaničnom kursu na dan pripreme javnog poziva.

** Podaci o nepokretnostima subjekta privatizacije iz ovog javnog poziva su isključivo informativnog karaktera, dok se podaci o pravnom osnovu, obliku svojine i vrsti prava nad istim nalaze u aukcijskoj dokumentaciji.

*** Podaci o ukupnim poslovnim prihodima i rashodima, izraženi u EUR-ima, obračunati su po prosečnim godišnjim realnim kursovima.

Kratak opis postupka JAVNE AUKCIJE

Prodaju kapitala metodom javne aukcije sprovodi Aukcijska komisija koju obrazuje Agencija za privatizaciju. Komisija nadgleda prodaju aukcijom, registruje učesnike na aukciji, proglašava aukciju neuspelom, potpisuje zapisnik i obavlja druge poslove od značaja za sprovođenje aukcije u skladu sa zakonom. Uslovi za sprovođenje aukcije su ispunjeni ako je najmanje jedno lice steklo status učesnika aukcije i ako je prisutno lično ili zastupljeno preko ovlašćenog predstavnika. U vreme koje je predviđeno za početak JAVNE AUKCIJE, aukcionar će otvoriti prvo nadmetanje gde sredstva plaćanja mogu biti u gotovom novcu i dospelim obveznicama. Ako na prvom nadmetanju učestvuje više lica aukcionar oglašava početnu cenu kao i svako naredno uvećanje. Ukoliko se nakon trećeg poziva za prihvatanje novoutvrđene cene ne

ogläse zainteresovani kupci, udarcem čekića aukcionar označava aukciju završenom. Prodajna cena postaje najveća ponuđena vrednost, a kupcem se proglašava učesnik koji je prvi ponudio najvišu cenu. Ako nakon oglašavanja početne cene nije bilo zainteresovanih ni posle trećeg poziva, aukcionar udarcem čekića proglašava prvo nadmetanje neuspelim i odmah otvara drugo nadmetanje gde sredstva plaćanja mogu biti i u nedospelim obveznicama. Na drugom nadmetanju učestvuju prijavljeni za drugo nadmetanje, kao i učesnici prvog nadmetanja ako je ono bilo neuspešno. Ako na drugom nadmetanju učestvuje više lica aukcionar oglašava početnu cenu kao i svako naredno uvećanje. Ukoliko se nakon trećeg poziva za prihvatanje novoutvrđene cene ne ogläse zainteresovani kupci, udarcem čekića aukcionar označava

aukciju završenom. Prodajna cena postaje najveća ponuđena vrednost, a kupcem se proglašava učesnik koji je prvi ponudio najvišu cenu. Ako nakon oglašavanja početne cene nije bilo zainteresovanih ni posle trećeg poziva, aukcija se proglašava neuspelom, a učesnici gube pravo na vraćanje depozita. Kada drugom nadmetanju prisustvuje samo jedno lice koje je steklo status učesnika, to lice se poziva da prihvati početnu cenu tri puta. Ako prihvati početnu cenu proglašava se kupcem pri čemu je početna cena ujedno i prodajna cena. Ako učesnik ne prihvati početnu cenu aukcija se proglašava neuspelom, a on gubi pravo na vraćanje depozita.

1) Basic information on the entity undergoing privatization: Retail enterprise BRATSTVO with unlimited liability, PREŠEVO

Auction Sale Code: 270309-3262p

Official ID number of the Entity: **07241305**

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

The entire estimated capital value to be privatized amounts to: **RSD 195.126.000 or *EUR 2.102.039** which is **70 %** of the entire capital of the entity.

Deposit for participation in the auction: **RSD 15.610.000 or *EUR 168.163**

Initial price at the auction sale: **RSD 31.220.000**

Minimum obligatory investments into the entity to be privatized amount to: **RSD 42.500.000**

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

A) Buildings – main facilities (m²):

1. Store Galeb (239) 2. Store Izbor (108) 3. Main warehouse (1500) 4. Store Tekstil (61)
5. Motel Čukarka (528)

B) Main equipment:

1) Passenger vehicle (LADA) 2) Transporter (MERCEDES) 3) Office furniture 4) Office equipment 5) Transporter (ZASTAVA) 6) Fork-lift truck

C) Land (m²): *Entire land: (15981); construction land: (1708) – state owned; agricultural land: (14273) – socially owned;*

Income statement per year:

Shown in:	2006		2007	
	RSD	***EUR	RSD	***EUR
Total business revenues	5.378.000	63.944	3.806.000	47.596
Total business expenses	10.282.000	122.252	7.597.000	95.005

Main products/ services: 1) Wholesale 2) Retail trade 3) Lease incomes

Total number of employees: 42; **of which BS/ BA:** 0