

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, Terazije St. 23, 5th floor, from 09:00 to 16:30, in the period from 11.03.2009 until 13.04.2009.

DEADLINE FOR SUBMISSION OF APPLICATIONS IS 14.04.2009, 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: "THE APPLICATION FOR PARTICIPATION IN PUBLIC AUCTION 240409, Privatization Agency, Belgrade, 23 Terazije St, 5th floor".

* *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.

In case 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 about such changes, if any, until the auction date at the latest.

The site visit shall be carried out after signing of the Confidentiality Agreement in the period from 11.03.2009 until 13.04.2009.

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 TRANSPORT I USLUGE, ARILJE

Auction sale code: 240409-3270

Official ID number of the entity: **07188439**

Field of work: **Transportation of goods-road traffic**

The entire estimated capital value to be privatized amounts to: **RSD 1.324.000** or ***EUR 13.949**, which is **70 %** of the total entity capital.

Deposit for participation in the auction: **RSD 132.000** or ***EUR 1.395**

Initial price at the auction sale: **RSD 265.000**

Minimum obligatory investments into the privatization entity amount to: **RSD 1.922.000**

Main assets of the privatization entity **

A) Buildings - main facilities (m²):

1. Building with the garage, workshop and offices (726) 2. Auxiliary facilities (27) 3. Canal for washing and lubrication of vehicles (74)

B) Main equipment:

1) Passenger vehicle 2) Truck (Mercedes) 3) Fuel tank (2 items) 4) Canal crane 5) Crane

C) Land (m²):

Balance sheet per year:	2006		2007		
	Shown in:	RSD	***EUR	RSD	***EUR
Total operating revenues		10.883.000	129.398	5.876.000	73.483
Total operating expenses		14.374.000	170.905	7.339.000	91.779

Main products/services: 1) Transportation of goods-road traffic

Total number of employees: 1; **of which BS/BA:** 0

2) Basic information on the privatization entity: Socially-owned catering enterprise VRANJE, VRANJE

Auction sale code: 240409-3306p

Official ID number of the entity: **07105339**

Field of work: **Hotels, motels, restaurants**

The entire estimated capital value to be privatized amounts to: **RSD 865.398.000** or ***EUR 9.119.183**, which is **70 %** of the total entity capital.

Deposit for participation in the auction: **RSD 69.232.000** or ***EUR 729.535**

Initial price at the auction sale: **RSD 138.464.000**

Minimum obligatory investments into the privatization entity amount to: **RSD 102.638.000**

Main assets of the privatization entity **

A) Buildings - main facilities (m²):

1. Hotel «Vranje» - old part (955) 2. Motel «Vranje» - the part for accommodation (1500) 3. Hotel «Vranje» - new part (7845) 4. Villa «Balkan» (984) 5. Restaurant «Kosovo» - restaurant with the kitchen (415) 6. Restaurant «Južna Morava» (418) 7. Restaurant «Tašana» (330) 8. Restaurant «Evropa» (664)

B) Main equipment:

1) Passenger vehicle (DAEWO LEGANZA) 2) Car «Jugo skala» (101/55-5 POLI LC) 3) Refrigeration truck TAM 75 (T5 BHL) 4) Chamber (K-6) 5) Polishing machine (FBM JUGOOPREMA) 6) Office equipment 7) Restaurant equipment 8) Food preparation equipment

C) Land (m²): *Entire land: (51851); Construction land: (43702) (24462) - socially-owned; (19240) - state-owned; Agricultural land: (6209) - state-owned; Other land: (1940) - socially-owned;*

Balance sheet per year:	2006		2007		
	Shown in:	RSD	***EUR	RSD	***EUR
Total operating revenues		65.243.000	775.733	54.432.000	680.706
Total operating expenses		84.030.000	999.108	67.670.000	846.256

Main products/services: 1) Accommodation services (in hotel and motel) 2) Restaurant services (sale of food and drinks)

Total number of employees: 104; **of which BS/BA:** 4