

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 06.11.2008 until 26.11.2008.

DEADLINE FOR SUBMISSION OF APPLICATIONS IS 27.11.2008, 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 051208, 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 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.*

THE AUCTION WILL BE HELD ON: 05.12.2008

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:

05.12.2008, 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 (05.12.2008) 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 (05.12.2008) 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.

Site visits shall be carried out after signing of the Confidentiality Agreement in the period from 06.11.2008 until 26.11.2008.

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 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: Public service Veterinary station LAPOVO, LAPOVO				
Auction sale code: <u>051208-3188p</u>		The entire estimated capital value to be privatized amounts to: RSD 14.043.000 or *EUR 165.230 , which is 70 % of the total entity capital.		
Official ID number of the entity: 06108113		Deposit for participation in the auction: RSD 1.123.000 or *EUR 13.218		
Field of work: Veterinary		Initial price at the auction sale: RSD 2.247.000		
		Minimum obligatory investments into the privatization entity amount to: RSD 603.000		
Main assets of the privatization entity **				
A) Buildings – main facilities (m²): 1. Building of the veterinary station (310) 2. Building in Batočina (200) 3. Building in Badnjevac (90)		B) Main equipment: 1) Passenger vehicle (Zastava 101) 2) Passenger vehicle (3 cars, Yugo)		
C) Land (m²): <i>Entire land: (3686); Construction land: (3686) – state-owned;</i>				
Balance sheet per year:		2006	2007	
Shown in:	RSD	***EUR	RSD	***EUR
Total operating revenues	6.822.000	81.113	5.366.000	67.105
Total operating expenses	8.069.000	95.940	5.027.000	62.866
Main products/services: 1) Veterinary activities				
Total number of employees: 6; of which BS/BA: 2				
2) Basic information on the privatization entity: Public institution Veterinary station BOR, BOR				
Auction sale code: <u>051208-3191p</u>		The entire estimated capital value to be privatized amounts to: RSD 4.774.000 or *EUR 56.169 , which is 70 % of the total entity capital.		
Official ID number of the entity: 07183305		Deposit for participation in the auction: RSD 371.000 or *EUR 4.360		
Field of work: Veterinary		Initial price at the auction sale: RSD 741.000		
		Minimum obligatory investments into the privatization entity amount to: RSD 695.000		
Main assets of the privatization entity **				
A) Buildings – main facilities (m²): 1. Veterinary station Gornjane (40) 2. Veterinary station Bučje (40) 3. Veterinary station Oštrelj (32) 4. Veterinary station Krivelj (44)		B) Main equipment: 1) Passenger vehicle (Lada Niva) 2) Passenger vehicle (Yugo Koral) 3) Passenger vehicle (3 cars, Yugo Skala) 4) Computer (Pentium)		
C) Land (m²): <i>Entire lland: (1638); Construction land: (1638) – state-owned;</i>				
Balance sheet per year:		2006	2007	
Shown in:	Дин	***ЕУР	Дин	***ЕУР
Total operating revenues	11.543.000	137.245	13.576.000	169.776
Total operating expenses	11.341.000	134.843	13.250.000	165.700
Main products/services: 1) Health care of animals 2) Artificial insemination of cows 3) Artificial insemination of pigs 4) Control of herds 5) Disinfection, disinsection and deratization 6) Animal marking				
Total number of employees: 13; of which BS/BA: 3				
3) Basic information on the privatization entity: Holding company for agriculture and industry ALEKSINAC-PIK, ALEKSINAC				
Auction sale code: <u>051208-3219</u>		The entire estimated capital value to be privatized amounts to: RSD 747.349.000 or *EUR 8.793.271 , which is 70 % of the total entity capital.		
Official ID number of the entity: 07212097		Deposit for participation in the auction: RSD 89.682.000 or *EUR 1.055.192		
Field of work: Cultivation of cereals and other crops and plants		Initial price at the auction sale: RSD 179.364.000		
		Minimum obligatory investments into the privatization entity amount to: RSD 17.849.000		
Main assets of the privatization entity **				
A) Buildings – main facilities (m²): 1. Stable for breeding (1852) 2. Building of drying-room (2667) 3. Cold storage plant (1860) 4. Cow stable (1852) 5. Building for calves (1852) 6. Hotel «Rudar» (525) 7. Administration building – part (300) 8. Building of wine cellar of Aleksinac with the administration building (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 production line 5) Cattle slaughter line 6) Freezing line 7) Irrigation device		

C) Land (m²): <i>Entire land: (13107453); Construction land: (8890519) – state-owned; Agricultural land: (4216934) – socially-owned;</i>				
Balance sheet per year:		2006	2007	
Shown in:	RSD	***EUR	RSD	***EUR
Total operating revenues	36.328.000	431.936	15.343.000	191.874
Total operating expenses	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: 366; of which BS/BA: 19				

4) Basic information on the privatization entity: Socially-owned enterprise Konfekcija ZVEZDA, KRUŠEVAC	
Auction sale code: <u>051208-3220</u>	The entire estimated capital value to be privatized amounts to: RSD 362.384.000 or *EUR 4.263.796, which is 70 % of the total entity capital.
Official ID number of the entity: 07102569	Deposit for participation in the auction: RSD 43.486.000 or *EUR 511.656
Field of work: Manufacture of clothes	Initial price at the auction sale: RSD 86.972.000
Main assets of the privatization entity **	Minimum obligatory investments into the privatization entity amount to: RSD 5.662.000
A) Buildings – main facilities (m²): 1. Plants and office buildings 1 и 2 (3585) 2. Shop «Ukras» (114) 3. Plant and office building out of Kruševac (800) 4. Shop «Izbor» (94) 5. Boutique «Zvezda» (60)	B) Main equipment: 1) Press for ready-to-wear clothes 2) Wall-units for ready-to-wear clothes 3) Sections for knitwear and haberdashery 4) Sewing machines (different) 5) Compressor

C) Land (m²): <i>Entire land: (28082); Construction land: (28082) – state-owned;</i>				
Balance sheet per year:		2006	2007	
Shown in:	RSD	***EUR	RSD	***EUR
Total operating revenues	45.040.000	535.521	58.444.000	730.879
Total operating expenses	70.929.000	843.339	72.281.000	903.919
Main products/services: 1) Men's and women's suits 2) Coats 3) Trousers 4) Jackets 5) Sewing services				
Total number of employees: 215; of which BS/BA: 5				

5) Basic information on the privatization entity: Socially-owned enterprse for manufacture of peasant footwear and products of folk arts and crafts JASENICA, NATALINCI	
Auction sale code: <u>051208-3221</u>	The entire estimated capital value to be privatized amounts to: RSD 100.000 or *EUR 1.180, which is 70 % of the total entity capital.
Official ID number of the entity: 07379315	Deposit for participation in the auction: RSD 10.000 or *EUR 118
Field of work: Manufacture of leather footwear	Initial price at the auction sale: RSD 20.000
Main assets of the privatization entity **	Minimum obligatory investments into the privatization entity amount to: RSD 7.000
A) Buildings – main facilities (m²): 1. Administration building (206)	B) Main equipment: 1) Office furniture

C) Land (m²):				
Balance sheet per year:		2006	2007	
Shown in:	RSD	***EUR	RSD	***EUR
Total operating revenues	511.000	6.076	511.000	6.390
Total operating expenses	478.000	5.683	478.000	5.978
Main products/services: 1) Peasant footwear made of leather				
Total number of employees: 1; of which BS/BA: 0				