

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 05.01.2009 to 25.02.2009.

**DEADLINE FOR SUBMISSION OF APPLICATIONS IS 26.02.2009  
GODINE DO 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 060309, Privatization Agency, Belgrade, 23 Terazije St, 5<sup>th</sup> 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: 06.03.2009.**

at the following address: **Privatization Agency, Belgrade, 23 Terazije St, 2<sup>nd</sup> floor, Large Hall** at **11:00**. The registration of the auction participants will be held at the same address on: **06.03.2009, 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 (06.03.2009.) 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 (06.03.2009.) 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 05.01.2009 to 25.02.2009.

\* *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 construction enterprise VIADUKT, BEOGRAD**

**Auction Sale Code: 060309-3291**

Official ID number of the Entity: 07557663

Field of work: **rough construction works**

The entire estimated capital value to be privatized amounts to: **RSD 20.938.000 or \*EUR 237.601** which is **70 %** of the entire capital of the entity.

**Deposit** for participation in the auction: **RSD 2.094.000 or \*EUR 23.760**

**Initial price** at the auction sale: **RSD 4.188.000**

**Minimum obligatory investments** into the entity to be privatized amount to: **RSD 1.255.000**

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

**A) Buildings – main facilities (m²):**

1. Residential container (160)

**B) Main equipment:**

1) Passenger vehicle (Ford Transit) 2) Passenger vehicle (Ford Escort) 3) Machine plane (Prvomajska) 4) Substation 5) Cement silo (2 pieces)

**C) Land (m²):**

Income statement per year:	2006		2007	
	RSD	***EUR	RSD	***EUR
Shown in:				
Total business revenues	4.141.000	49.236	5.078.000	63.504
Total business expenses	5.499.000	65.383	13.972.000	174.729

**Main products/ services:** 1) rough construction works

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

**2) Basic information on the entity undergoing privatization: Enterprise for production of children's garments DEKON, ČUPRIJA**

**Auction Sale Code: 060309-3292**

Official ID number of the Entity: 07166435

Field of work: **Production of overalls**

The entire estimated capital value to be privatized amounts to: **RSD 27.101.000 or \*EUR 307.539** which is **70 %** of the entire capital of the entity.

**Deposit** for participation in the auction: **RSD 3.252.000 or \*EUR 36.905**

**Initial price** at the auction sale: **RSD 6.504.000**

**Minimum obligatory investments** into the entity to be privatized amount to: **RSD 999.000**

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

**A) Buildings – main facilities (m²):**

1. Production hall (1251) 2. Boiler house (32) 3. Prefabricated facility (109)

**B) Main equipment:**

1) Sewing machine 2) Passenger vehicle (Zastava 650) 3) Office equipment

**C) Land (m²):**

Income statement per year:	2006		2007	
	RSD	***EUR	RSD	***EUR
Shown in:				
Total business revenues	1.722.000	20.474	2.060.000	25.762
Total business expenses	11.432.000	135.925	11.878.000	148.542

**Main products/ services:** 1) Production of overalls

**Total number of employees:** 3; of which BS/ BA: 0

**3) Basic information on the entity undergoing privatization: Socially-owned enterprise for wholesale of protection devices and firefighting equipment ZAŠTITA RADA, BEOGRAD**

**Auction Sale Code: 060309-3293**

Official ID number of the Entity: 07033010

Field of work: **Wholesale of clothes and footwear**

The entire estimated capital value to be privatized amounts to: **RSD 12.963.000 or \*EUR 147.106** which is **70 %** of the entire capital of the entity.

**Deposit** for participation in the auction: **RSD 1.296.000 or \*EUR 14.711**

**Initial price** at the auction sale: **RSD 2.593.000**

**Minimum obligatory investments** into the entity to be privatized amount to: **RSD 1.096.000**

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

**A) Buildings – main facilities (m²):**

1. Outlet 2, Karadorđeva 49, Beograd (33) 2. Business premises, Dr. Ivana Ribara 17–19, Beograd (69) 3. Outlet C, Aleksandra Dupčeka 20, Beograd (474) 4. Outlet 5, Temerinska 10, Novi Sad (57) 5. Outlet 10, Jugovića 28, Niš (37) 6. Outlet 9, Jerevanska bb, Podgoridža (67)

**B) Main equipment:**

1) Passenger vehicle (Florida) 2) Transporter (Pick up) 3) Computer (Oliveti)

**C) Land (m²):**

Income statement per year:		2006		2007	
Shown in:		RSD	***EUR	RSD	***EUR
Total business revenues		12.405.000		10.752.000	134.461
Total business expenses		15.530.000	184.650	13.584.000	169.876

**Main products/ services:** 1) Trade in protection devices

**Total number of employees:** 12; of which BS/ BA: 0

#### 4) Basic information on the entity undergoing privatization: Publishing joint–stock company RAD, BEOGRAD

**Auction Sale Code: 060309–3295**

Official ID number of the Entity: **07012209**

Field of work: **Izdavanje knjiga, brošura**

The entire estimated capital value to be privatized amounts to: **RSD 448.779.000 or \*EUR 5.092.722** which is **69,853 %** of the entire capital of the entity.

**Deposit** for participation in the auction: **RSD 53.853.000 or \*EUR 611.126**

**Initial price** at the auction sale: **RSD 107.707.000**

**Minimum obligatory investments** into the entity to be privatized amount to: **RSD 1.506.000**

**The most important assets of the entity to be privatized \*\*****A) Buildings – main facilities (m²):**

1. Business premises, Dečanska 12, Beograd (2526)

**B) Main equipment:**

1) Office equipment 2) Office furniture

**C) Land (m²):**

Income statement per year:		2006		2007	
Shown in:		RSD	***EUR	RSD	***EUR
Total business revenues		36.774.000	437.239	36.415.000	455.392
Total business expenses		35.641.000	423.768	36.908.000	461.558

**Main products/ services:** 1) Publishing of books and brochures 2) Production of cardboard packaging 3) Production of business products

**Total number of employees:** 19; of which BS/ BA: 3

#### 5) Basic information on the entity undergoing privatization: SRBODRVO EKSPORT–IMPORT Socially–owned limited liability company, BEOGRAD

**Auction Sale Code: 060309–3298**

Official ID number of the Entity: **07018347**

Field of work: **Wholesale**

The entire estimated capital value to be privatized amounts to: **RSD 20.698.000 or \*EUR 234.883** which is **58,331 %** of the entire capital of the entity.

**Deposit** for participation in the auction: **RSD 2.484.000 or \*EUR 28.186**

**Initial price** at the auction sale: **RSD 4.968.000**

**Minimum obligatory investments** into the entity to be privatized amount to: **RSD 10.000**

**The most important assets of the entity to be privatized \*\*****A) Buildings – main facilities (m²):**

1. Business premises, Kneza Miloša 54, Beograd (176)

**B) Main equipment:**

1) Office equipment 2) Office equipment

**C) Land (m²):**

Income statement per year:		2006		2007	
Shown in:		RSD	***EUR	RSD	***EUR
Total business revenues		584.000	6.944	630.000	7.879
Total business expenses		584.000	6.944	630.000	7.879

**Main products/ services:** 1) Export-import 2) Domestic trade

**Total number of employees:** 2; of which BS/ BA: 1

#### 6) Basic information on the entity undergoing privatization: Socially–owned enterprise for agricultural production and trade STALAĆ, STALAĆ

**Auction Sale Code: 060309–3299**

Official ID number of the Entity: **07191545**

Field of work: **Cattle breeding and production of milk**

The entire estimated capital value to be privatized amounts to: **RSD 56.840.000 or \*EUR 645.012** which is **70 %** of the entire capital of the entity.

**Deposit** for participation in the auction: **RSD 6.821.000 or \*EUR 77.401**

**Initial price** at the auction sale: **RSD 13.641.000**

**Minimum obligatory investments** into the entity to be privatized amount to: **RSD 404.000**

**The most important assets of the entity to be privatized \*\*****A) Buildings – main facilities (m²):**

1. Business premises (105) 2. Sawmill (99) 3. Store 10 (75) 4. Store 7 (75) 5. Store 5 (60)

**B) Main equipment:**

1) Truck (FAP 16/20) 2) Display refrigerator 3) Fiscal cash register (2)

**C) Land (m²):** *entire land: (5719410) ; construction land: (15755) – socially owned; agricultural land: (717571) (2245) – socially owned; (715336) – state owned; forest land: (4956595) (2968366) – socially owned; (1970229) – state owned; other types of land: (29489) (1235) – socially owned; (28254) – socially owned;*

<b>Income statement per year:</b>	<b>2006</b>		<b>2007</b>	
Shown in:	RSD	***EUR	RSD	***EUR
Total business revenues	816.000	9.702	379.000	4.740
Total business expenses	2.794.000	33.220	3.375.000	42.206

**Main products/ services:** 1) Cattle breeding 2) Production of milk**Total number of employees:** 14; **of which BS/ BA:** 0