

PUBLIC INVITATION FOR PARTICIPATION IN PUBLIC AUCTIONS

Basic Data on Auction Sale

Those who are interested can purchase auction documentation at the price of: **CSD 25.000**, after the receipt of invoice from the Privatization Agency. VAT is not calculated in the price. The purchase of the auction documentation is obligatory, and on its receipt one is to sign the Confidentiality Agreement. After the payment evidence has been submitted, the auction documentation can be collected at the following address: Bulevar Mihaila Pupina 10 (5th floor), Novi Sad, from 09:00– 17:00 on working days in period from 25.01.2005 until 16.02.2006.

CLOSING DATE FOR THE APPLICATION SUBMISSION is 17.12.2006 until 17:00.

Filled application, which is a part of the auction documentation, with the signed draft of the SPA and the deposit payment evidence, is to be submitted in a sealed envelope with inscription: "THE APPLICATION FOR PARTICIPATION IN PUBLIC AUCTION 270206, 10 Bulevar Mihaila Pupina (5th floor), Novi Sad".

IF THERE IS NAME OF THE SUBJECT UNDERGOING PRIVATIZATION ON THE ENVELOPE, OR FULL AUCTION CODE, THE APPLICATION CAN BE REJECTED.

THE AUCTION SHALL BE HELD ON 27.02.2006.

at the address: **Novi Sad, JP Sportsko-poslovni centar Vojvodina-Spens at 11:00**. The registration of the auction participants is going to take place at the same address on: **27.02.2006, from 09:00 – 10:50**.

Means of payment can be in domestic currency, foreign convertible currency, state bonds based upon the unpaid foreign currency savings of citizens, which are due not later than the date of the sale of capital (27.02.2006), issued to the natural persons, 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 upon the unpaid foreign currency savings of citizens, which are not to become due until the capital sale date (27.02.2006), issued to the physical persons, 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 brought back 15 days after the public auction is held.

The Privatization Agency keeps the right to change the auction date as well as the closing date for the application submission if necessary, but also to inform on these changes, if any, the interested parties, until the auction date at the latest.

The visit to the subject undergoing privatization shall be carried out after the signing the Agreement on Confidentiality in period from 25.01.2006 until 16.02.2006, after previously the time-table with the Privatization Agency has been established, phone: 021/452-959 or by fax: 021/452-967.

* *The entire estimated capital value to be privatized, stated in EUR, was calculated according to the official exchange rate on 25.01.2006.*

** *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 the capital by method of the public auction is carried out by the Auction Commission, which is established by the Privatization Agency. The commission supervises the capital sale by the auction, registers the auction participants, pronounces the auction for unsuccessful, signs the minutes and performs other activities of importance for the auction performance in accordance with the Law. The conditions for the auction to be carried out are met, if at least one person has obtained the status of the auction participant and if it is presented personally or by an authorized representative. At the time ordered for the PUBLIC AUCTION opening, auctioneer shall open the first bidding, on which occasion 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 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 immediately afterwards opens the second bidding, on which occasion even undue state bonds can be the means of payment. Those who have applied for the second bidding can participate in, as well as the participants in the first bidding, in case it has been declared unsuccessful. If in the second bidding participate more than one person, 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 parties even after the third call, the auction is declared unsuccessful, and the participants lose the right to be brought back the deposit. If only one party, who has been given 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, she/he 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 she/he loses the right to be brought back the deposit.

1) Basic information on the subject undergoing privatization: Akcionarsko društvo za proizvodnju mlinskih, pekarskih i kolačarskih proizvoda, trgovinu i usluge ŽITOPRODUKT, ZRENJANIN

Auction Sale Code: 270206-1404

ID Number of the Subject: 08000271

Field of work: Milling industry products

The entire estimated value of the capital to be privatized: CSD 876.209.000 or *EUR 10.059.576, representing 68,908 % of the total capital of the enterprise.

Deposit for auction participation: CSD 87.621.000 or *EUR 1.005.958

The initial auction price: CSD 175.242.000

Minimum of the investments into the subject to be privatized: CSD 142.372.000

The most important property of the subject undergoing privatization

A) Buildings – the most important facilities (m²):

1. Mill facility, (2760) 2. Mill facility «Rusanda», Melenci (1012) 3. Silo (187) 4. Silos (3.000 T, 3.200 T, 14.000 T, 18.000 T, 20.000 T, 20.000 T) (78200) 5. Flour warehouse (3360) 6. Floor storehouse (2717) 7. Storehouse «Jarkovac» (2100) 8. Mill facility (1425) 9. Mechanical floor storehouse (1400)

B) The most important equipment:

1) Drying-plant equipment 2) Switchboard in the production plant 3) Road electronic scales (2 items, DV-50-E) 4) Line-fluid 1,2 and 3 5) Generating unit-Diesel (2 items) 6) Roll packaging line (AMF VPS) 7) Double roller 8) Cart scales (KV-50-E)

V) Land capacities (m²): Construction land: (92186) – state ownership

Balance sheet per year:	2003		2004		
	Shown in:	CSD	**EUR	CSD	**EUR
Total business revenues		351.954.000	5.409.933	219.377.000	3.005.082
Total business expenses		484.521.000	7.447.638	414.406.000	5.676.639

Main products/ services: 1) Flour (T-400, T-500, T-850) 2) Cattle fodder base 3) Bread (half-white and extra) 4) Other wheat by-products 5) Home-made cheese-paste, cherry rolls, home-made muffins, ready-made pizza crust

Total number of employees: 515; of whom BS/ BA: 23

2) Basic information on the subject undergoing privatization: Akcionarsko društvo VIG – VODOVOD I GREJANJE AGROVOJVODINA, NOVI SAD

Auction Sale Code: 270206-1525

ID Number of the Subject: 08134294

Field of work: Heating equipment wholesale

The entire estimated value of the capital to be privatized: CSD 206.548.000 or *EUR 2.371.332, representing 49,861 % of the total capital of the enterprise.

Deposit for auction participation: CSD 24.786.000 or *EUR 284.560

The initial auction price: CSD 49.571.000

Minimum of the investments into the subject to be privatized: CSD 4.940.000

The most important property of the subject undergoing privatization

A) Buildings – the most important facilities (m²):

1. Main facility – a part of four-ship hall, Sentandrejski put 165 (7797)

B) The most important equipment:

1) Passenger vehicle (Peugeot 106) 2) Passenger vehicle (Peugeot 206) 3) Computer (9 items, Pentium) 4) Printer (3 items, Epson LQ 670)

B) Land capacities (m²): Construction land: (29397) – state owned

Balance sheet per year:	2003		2004		
	Shown in:	CSD	**EUR	CSD	**EUR
Total business revenues		72.271.000	1.110.887	68.996.000	945.125
Total business expenses		80.055.000	1.230.536	76.891.000	1.053.273

Main products/ services: 1) Wholesale

Total number of employees: 27; of whom BS/ BA: 5

3) Basic information on the subject undergoing privatization: Društveno preduzeće KOMPRESOR za izradu klipnih prstenova, trgovinu i uluge, NOVI SAD

Auction Sale Code: 270206-1526p

ID Number of the Subject: 08099596

Field of work: Manufacture of pumps and compressors

The entire estimated value of the capital to be privatized: CSD 2.968.000 or *EUR 34.080, representing 70 % of the total subject capital to be privatized.

Deposit for auction participation: CSD 237.000 or *EUR 2.726

The initial auction price: CSD 475.000

Minimum of the investments into the subject to be privatized: CSD 69.000

The most important property of the subject undergoing privatization

A) Buildings – the most important facilities (m²):

1. Office space & manufacture, Bulevar Despota Stefana 5, Novi Sad (Liman I) (175)

B) The most important equipment:

1) Lathe/plane 2) Universal lathe 3) Grinding machine (Wotan) 4) Grinding machine (SSV)

V) Land capacities (m²):

Balance sheet per year:	2003		2004		
	Shown in:	CSD	**EUR	CSD	**EUR
Total business revenues		180.000	2.767	210.000	2.877
Total business expenses		458.000	7.040	640.000	8.767

Main products/ services: 1) Piston rings
Total number of employees: 2; of whom BS/ BA: 0

4) Basic information on the subject undergoing privatization: MUNKA Društveno preduzeće za prevoz robe u drumskom saobraćaju, opravku i održavanje motornih vozila i usluge, ČANTAVIR

Auction Sale Code: 270206-1528p

ID number of the Subject: 08008817

Field of work: Transportation of goods in road traffic

The entire estimated value of the capital to be privatized: CSD 31.599.000 or *EUR 362.785, representing 70,00 % of the total subject capital to be privatized.

Deposit for auction participation: CSD 2.528.000 or *EUR 29.023

The initial auction price: CSD 5.056.000

Minimum of the investments into the subject to be privatized: CSD 108.000

The most important property of the subject undergoing privatization

A) Buildings - the most important facilities (m²):

1. Storehouse (267) 2. Head office building (167) 3. Workshop (110) 4. Eaves (630)

B) The most important equipment:

1) Goods vehicle (MB 1213) 2) Goods vehicle (Poli) 3) Centrifugal pump 4) Battery rectifier 5) Universal lathe

V) Land capacities (m²): Construction land: (91340) - socially-owned; Agricultural land: (29094) - state ownership

Balance sheet per year:	2003		2004	
Shown in:	CSD	**EUR	CSD	**EUR
Total business revenues	520.000	7.993	1.996.000	27.342
Total business expenses	2.375.000	36.506	4.010.000	54.930

Main products/ services: 1) Transportation and repair service

Total number of employees: 16; of whom BS/ BA: 0

5) Basic information on the subject undergoing privatization: Društveno preduzeće POLJOPRIVREDA DOLINE, OROM

Auction Sale Code: 270206-1562p

ID Number of the Subject: 08208727

Field of work: Cereals, crops and plants

The entire estimated value of the capital to be privatized: CSD 159.843.000 or *EUR 1.835.124, representing 70,00 % of the total subject capital to be privatized.

Deposit for auction participation: CSD 12.787.000 or *EUR 146.810

The initial auction price: CSD 25.575.000

Minimum of the investments into the subject to be privatized: CSD 8.737.000

The most important property of the subject undergoing privatization

A) Buildings - the most important facilities (m²):

1. Head office building (172) 2. Warehouse (1010) 3. Mechanical workshop (434) 4. Garage for agricultural machinery (1111) 5. Stall for big cattle (half-open) (1115) 6. Silo 9000T (2520) 7. Secondary workshop (345)

B) The most important equipment:

1) Tractor (6 vehicles, Ursus, Torpedo, Ferguson) 2) Harvester (3 vehicles, Zmaj 142) 3) Plating machine (3 vehicles, Drava 52, Tara 36, Tara 56) 4) Sowing vehicle (2 items, Nodet 12) 5) Pull-sowing vehicle (Eta 48) 6) Trailer (4 vehicles, Zmaj 485 356802) 7) Passenger vehicle (Jugo 101, Skala poly 65)

V) Land capacities (m²): Agricultural land: (41915) - socially-owned; (4520848) - state owned;

Balance sheet per year:	2003		2004	
Shown in:	CSD	**EUR	CSD	**EUR
Total business revenues	8.817.000	135.527	16.418.000	224.898
Total business expenses	22.017.000	338.426	16.334.000	223.747

Main products/ services: 1) Wheat, barley 2) Maize, sunflower 3) Sugar beat 4) Pig fattening

Total number of employees: 28; of whom BS/ BA: 1

6) Basic information on the subject undergoing privatization: Društveno preduzeće za prpjektovanje, inženjering i konsalting PROJEKTI BIRO, KIKINDA

Auction Sale Code: 270206-1592

ID Number of the Subject: 08247242

Field of work: Construction planning

The entire estimated value of the capital to be privatized: CSD 2.053.000 or *EUR 23.567, representing 70,00 % of the total subject capital to be privatized.

Deposit for auction participation: CSD 205.000 or *EUR 2.357

The initial auction price: CSD 411.000

Minimum of the investments into the subject to be privatized: CSD 222.000

The most important property of the subject undergoing privatization

A) Buildings - the most important facilities (m²):

1. Head office building (67) 2. Office space (71)

B) The most important equipment:

1) Computer (3 items, Pentium) 2) Printer (Canon) 3) Printer (NP desk jet) 4) Typing chairs (12 items)

V) Land capacities (m²): Construction land: (456) - socially-owned - user

Balance sheet per year:	2003		2004	
Shown in:	CSD	**EUR	CSD	**EUR
Total business revenues	1.960.000	30.127	4.489.000	61.491
Total business expenses	1.953.000	30.020	4.213.000	57.711

Main products/ services: 1) Planning and construction supervising service

Total number of employees: 5; of whom BS/ BA: 3

7) Basic information on the subject undergoing privatization: Društveno poljoprivredno preduzeće 1.OKTOBAR, RADOJEVO

Auction Sale Code: 270206-1593

ID Number of the Subject: **08072523**

Field of work: **Cereals, crops and plants**

The entire estimated value of the capital to be privatized: **CSD 198.728.000** or ***EUR 2.314.713**, representing **49,861 %** of the total subject capital to be privatized.

Deposit for auction participation: **CSD 23.847.000** or ***EUR 277.766**

The initial auction price: **CSD 47.695.000**

Minimum of the investment into the subject to be privatized: **CSD 4.753.000**

The most important property of the subject undergoing privatization

A) Buildings – the most important facilities (m²):

1. Dairy plant with two neighboring facilities (194) 2. Built warehouse (1152) 3. Repair shop (472) 4. Boiler plant (9) 5. Warehouse "Soko" (196) 6. Grained food storehouse (194) 7. Administration building P+1 (269)

B) The most important equipment:

1) Passenger vehicle (Peugeot 106) 2) Passenger vehicle (Peugeot 206) 3) Computer (9 items)(Pentium) 4) Printer (3 items) (Epson LQ 670)

V) Land capacities (m²): *Construction land: (116643) – socially-owned; Other land area (4807) – socially-owned; Agricultural land: (9389670) – socially-owned, (2735157) – state owned*

Balance sheet per year:

	2003		2004	
Shown in:	CSD	**EUR	CSD	**EUR
Total business revenues	40.511.000	622.700	30.915.000	423.482
Total business expenses	47.859.000	735.647	34.423.000	471.535

Main products/ services: 1) Wheat, barley, maize, soy bean 2) Sunflower 3) Sugar beat 4) Lucerne 5) Potato 6) Rape

Total number of employees: 70; of whom BS/ BA: 5

8) Basic information on the subject undergoing privatization: Društveno preduzeće za trgovinu, posredovanje i zastupanje u trgovini PEŠČARA, SUBOTICA

Auction Sale Code: 270206-1594

ID Number of the Subject: **08049068**

Field of work: **Agricultural products sales mediation**

The entire estimated value of the capital to be privatized: **CSD 147.464.000** or ***EUR 1.692.998**, representing **70,00 %** of the total subject capital to be privatized.

Deposit for auction participation: **CSD 17.696.000** or ***EUR 203.160**

The initial auction price: **CSD 35.391.000**

Minimum of the investments into the subject to be privatized: **CSD 2.013.000**

The most important property of the subject undergoing privatization

A) Buildings – the most important facilities (m²):

1. Administration building (964) 2. Hall III–flea market (911) 3. Slaughterhouse (320) 4. Facility–depot (150) 5. Apartment–warehouse (43)

B) The most important equipment:

1) Booths in flea market 2) Passenger vehicle (Zastava 101 Skala 55) 3) Passenger vehicle (Zastava Yugo 55)

V) Land capacities (m²): *Construction land: (11419) – state owned; Agricultural land: (15004) – state owned*

Balance sheet per year:

	2003		2004	
Shown in:	CSD	**EUR	CSD	**EUR
Total business revenues	8.797.000	135.220	7.744.000	106.079
Total business expenses	10.484.000	161.151	9.435.000	129.243

Main products/ services: 1) Agent service related to sales of agricultural products, living animals, textiles and semi–products

Total number of employees: 13; of whom BS/ BA: 4

9) Basic information on the subject undergoing privatization: Društveno preduzeće za remont, servis i promet AGROSERVIS, KIKINDA

Auction Sale Code: 270206-1595

ID Number of the Subject: **08582386**

Field of work: **Maintenance and overhaul of motor vehicles**

The entire estimated value of the capital to be privatized: **CSD 39.295.000** or ***EUR 451.143**, representing **70,00 %** of the total subject capital to be privatized.

Deposit for auction participation: **CSD 3.930.000** or ***EUR 45.114**

The initial auction price: **CSD 7.859.000**

Minimum of the investments into the subject to be privatized: **CSD 6.426.000**

The most important property of the subject undergoing privatization

A) Buildings – the most important facilities (m²):

1. Large hall facility (1452) 2. Machine shop (822) 3. Repair shop facility (384) 4. Canteen–prefabricated building (260) 5. Administration building (313)

B) The most important equipment:

1) Universal lathe (2 items, PA–501) 2) Milling machine (2 items, ALG–C–100) 3) Crane (PPE–540) 4) Crankshaft grinding device 5) Bearing grinder (FB–216) 6) Universal lathe (4 items, PA–30)

V) Land capacities (m²): *Construction land: (34147) – state owned*

Balance sheet per year:

	2003		2004	
Shown in:	CSD	**EUR	CSD	**EUR
Total business revenues	24.890.000	382.588	26.765.000	366.634
Total business expenses	32.140.000	494.028	34.503.000	472.631

Main products/ services: 1) Maintenance and overhaul of vehicles 2) Goods' and services' sales

Total number of employees: 63; **of whom BS/ BA:** 1

10) Basic information on the subject undergoing privatization: Društveno preduzeće PROJEKTI BIRO – ARHITEKT, KIKINDA

Auction Sale Code: 270206-1596

ID Number of the Subject: **08247234**

Field of work: **Engineering**

The entire estimated value of the capital to be privatized: **CSD 988.000** or ***EUR 11.344**, representing **70,00 %** of the total subject capital to be privatized.

Deposit for auction participation: **CSD 99.000** or ***EUR 1.134**

The initial auction price: **CSD 198.000**

Minimum of the investments into the subject to be privatized: **CSD 88.000**

The most important property of the subject undergoing privatization

A) Buildings – the most important facilities (m²):

1. Administration building (71)

B) The most important equipment:

1) Computer system (3 items, Micro Pentium) 2) Telephone – fax machine (Canon) 3) Telephone (5 items, Panasonic)
4) Passenger vehicle (Jugo) 5) Foto-copier (NRG 3812) 6) Office copier

V) Land capacities (m²):

Balance sheet per year:

Shown in:	2003		2004	
	CSD	**EUR	CSD	**EUR
Total business revenues	1.220.000	18.753	3.379.000	46.286
Total business expenses	1.889.000	29.036	2.885.000	39.519

Main products/ services: 1) Planning

Total number of employees: 8; **of whom BS/ BA:** 3