

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 40.000**, 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: 10 Bulevar Mihaila Pupina(5th floor), Novi Sad, from 09:00– 17:00, on working days in period from 20.03.2006 until 17.04.2006.

CLOSING DATE FOR THE APPLICATION SUBMISSION is 18.04.2006 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 260406, 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 26.04.2006.

at the address: **Novi Sad, JP Sportsko–poslovni centar Vojvodina–Spens at 11:00**. Registration of the auction participants is going to take place at the same address on: **26.04.2006, 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 (26.04.2006), 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 (26.04.2006), 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 20.03.2006 until 17.04.2006, 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 20.03.2006.*

** *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: 260406-1404p**

ID Number of the Subject: 08000271

Field of work: Milling industry products

The entire estimated value of the capital to be privatized: CSD 885.047.000 or *EUR 10.140.334, representing 68,908 % of the total capital of the enterprise.

Deposit for auction participation: CSD 44.252.000 or *EUR 507.017**The initial auction price: CSD 88.505.000****Minimum of the investments into the subject to be privatized: CSD 143.808.000****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 (1245) 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) – in state ownership

Balance sheet per year:	2004		2005		
	Shown in:	CSD	**EUR	CSD	**EUR
Total business revenues		219.377.000	3.005.082	153.982.000	1.857.286
Total business expenses		414.406.000	5.676.639	292.895.000	3.532.814

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: 260406-1525p**

ID Number of the Subject: 08134294

Field of work: Heating equipment wholesale

The entire estimated value of the capital to be privatized: CSD 208.631.000 or *EUR 2.390.369, representing 49,861 % of the total capital of the enterprise.

Deposit for auction participation: CSD 16.690.000 or *EUR 191.230**The initial auction price: CSD 33.381.000****Minimum of the investments into the subject to be privatized: CSD 4.989.000****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:	2004		2005		
	Shown in:	CSD	**EUR	CSD	**EUR
Total business revenues		68.996.000	945.125	66.077.000	797.001
Total business expenses		76.891.000	1.053.273	76.070.000	917.534

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 za remont, servis i promet AGROSERVIS, KIKINDA****Auction Sale Code: 260406-1595p**

ID Number of the Subject: 08099596

Field of work: Maintenance and overhaul of motor vehicles

The entire estimated value of the capital to be privatized: CSD 39.692.000 or *EUR 454.764, representing 70,00 % of the total subject capital to be privatized.

Deposit for auction participation: CSD 1.985.000 or *EUR 22.738**The initial auction price: CSD 3.969.000****Minimum of the investments into the subject to be privatized: CSD 6.491.000****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:	2004		2005	
	Shown in:	CSD	**EUR	CSD