

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 24.03.2006 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 physical 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 has been 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 it 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 24.03.2006 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 24.03.2006.*

** *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, the 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: Drustveno preduzece BEK industrija mesa sa p.o., ZRENJANIN

The Auction Sale Code: 260406-1444

Official ID number of the Subject: **08035709**

Field of work: **Poultry and animal meat processing**

The entire estimated value of the capital to be privatized amounts to: **CSD 200.886.000** or ***EUR 2.306.645**, which is **70 %** of the total subject capital.

Deposit for participation in the auction: **CSD 24.106.000** or ***EUR 276.797**

The initial auction price: **CSD 48.213.000**

Minimum of investments into the subject undergoing privatization: **CSD 21.611.000**

The most important property of the subject undergoing privatization

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

1. Head office building (870) 2. Sausage-making plant (4980) 3. Refrigeration plant (5570) 4. Warehouse-hangar (2970) 5. Packagings warehouse (220) 6. Slaughterhouse – old works (4690) 7. Slaughterhouse – new works (2140)

B) The most important equipment:

1) Line for cattle slaughtering (diverse) 2) Line for pigs' slaughtering (diverse) 3) Meat processing line (diverse) 4) Equipment of the refrigeration plant (diverse) 5) Means of transportation in the refrigeration plant (diverse) 6) Hot dog manufacture machine (Frankamatik)

C) Land capacities (m²): *Construction land: (53526) – socially-owned – holder of the right of use*

Balance sheet per year:	2004		2005	
	CSD	**EUR	CSD	**EUR
Shown in:				
Total business revenues	294.070.000	4.028.246	160.564.000	1.936.676
Total business expenses	349.455.000	4.786.924	278.084.000	3.354.168

Main products/ services: 1) Fresh meat 2) Offal 3) Smoked and cured meats 4) Sausage-making products 5) Durable cans 6) Melt products

Total number of employees: 349; **of whom BS/ BA:** 10

2) Basic information on the subject undergoing privatization: Drustveno preduzece POLJOPRIVREDA DOLINE, OROM

The Auction Sale Code: 260406-1562p

Official ID number of the Subject: **08208727**

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

The entire estimated value of the capital to be privatized: **CSD 161.455.000** or ***EUR 1.853.890**, representing **70,00 %** of the total subject capital.

Deposit for auction participation: **CSD 12.916.000** or ***EUR 148.311**

The initial auction price: **CSD 25.833.000**

Minimum of investments into the subject undergoing privatization: **CSD 2.756.000**

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 machine (2 items, Nodet 12) 5) Pull sowing machine (Eta 48) 6) Trailer (4 items, Zmaj 485 356802) 7) Passenger vehicle (Jugo 101, Skala poly 65)

C) Land capacities (m²): *Agricultural land: (4562764) ((41915) – socially-owned, (4520848) – in state ownership)*

Balance sheet per year:	2003		2004	
	CSD	**EUR	CSD	**EUR
Shown in:				
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) Pigs fattening

Total number of employees: 18; **of whom BS/ BA:** 1

3) Basic information on the subject undergoing privatization: ZIDAR Drustveno preduzece za visoku i nisku gradnju, BECEJ

The Auction Sale Code: 260406-1637

Official ID number of the Subject: **08070008**

Field of work: **Construction and specialized works**

The entire estimated value of the capital to be privatized: **CSD 19.408.000** or ***EUR 222.850**, representing **70 %** of the total subject capital.

Deposit for auction participation: **CSD 1.941.000** or ***EUR 22.285**

The initial auction price: **CSD 3.882.000**

Minimum of investments into the subject undergoing privatization: **CSD 1.178.000**

The most important property of the subject undergoing privatization

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

1. Hall 2 – workshop (656) 2. Hall 3 – steel-bendering plant (656) 3. Hall 1 – handicraft's warehouse (656)

B) The most important equipment:

1) Goods vehicle with packing case (3 vehicles, FAP) 2) Cement plant 3) Tower crane (360 X) 4) Scaffold 5) Computing equipment

C) Land capacities (m²): *Construction land: (45225) ((37325) – socially-owned, (7900) – state owned)*

Balance sheet per year:	2004		2005	
	CSD	**EUR	CSD	**EUR
Shown in:				
Total business revenues	26.039.000	356.689	33.043.000	398.555
Total business expenses	25.940.000	355.333	31.852.000	384.190

Main products/ services: 1) Construction works 2) Concrete production 3) Finished products made of concrete
Total number of employees: 6; **of whom BS/BA:** 3