

# PUBLIC INVITATION FOR PARTICIPATION IN PUBLIC AUCTIONS

## Basic Data on Auction Sale

Privatization Agency offers, within the joint offer, 70,00% of socially-owned capital of the subject undergoing privatization, amounting to 15,45% of the total capital, 100,00% of the share of DEVELOPMENT FUND RS, BELGRADE, amounting to 56,15% of the total capital of the subject undergoing privatization and 100% of the share of VOJVODANSKA BANKA AD, Novi Sad, amounting to 10,10% of the total capital of the subject undergoing privatization. It is offered in total 81,70% of the capital of the subject undergoing privatization. The share of the members of the Company is sold according to the authority ascribed to the Privatization Agency.

Aukcijsku dokumentaciju zainteresovani mogu kupiti po ceni od: Those who are interested can purchase auction documentation at the price of: **CSD 40000**, 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 Mihajla Pupina 10 (5<sup>th</sup> floor), Novi Sad, from 9:00 to 17:00, from 08.11.2006 to 07.12.2006.

**DEADLINE FOR SUBMISSION OF APPLICATIONS IS 08.12.2006 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 181206, Bulevar Mihajla Pupina 10 (5<sup>th</sup> floor), Novi Sad".

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

**THE AUCTION WILL BE HELD ON: 18.12.2006**

at the address: **Novi Sad, JP Sportsko poslovni centar Vojvodina-SPENS at 11:00**. The registration of the auction participants will be held at the same address on: **18.12.2006. from 09:00 to 10:50**.

**Means of payment for a part of the socially-owned capital to be sold within the joint offer (15,45%)** 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 capital sale (18.12.2006.) 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 date of the capital sale (18.12.2006.) issued to the natural persons, who are citizens of the Republic of Serbia.

**Means of payment of purchase price for the share of the members of the Company (in total 66,25% of the capital) in the total capital of the subject undergoing privatization can be SOLELY in domestic currency or foreign convertible currency, and the purchase price is to be paid AT ONCE, regardless of whether the participant has applied for the first or second bidding.**

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 the interested parties on such changes, if any, until the auction date at the latest.

The site visit shall be carried out after the signing the Agreement on Confidentiality in period from 08.11.2006 to 07.12.2006, at the time previously established by the Privatization Agency, tel: 021/452-959 or fax: 021/452-967.

\* The entire estimated capital value to be privatized, stated in EUR, was calculated according to the official exchange rate on 08.11.2006 .

\*\* The total business income and expense data, stated in EUR, were calculated according to the average annual real exchange rates.

The sale of capital by the method of 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 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 persons 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 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, 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: Joint-stock company food industry PANONKA, SOMBOR**

**Auction Sale Code: 181206-1770p**

Official ID number of the Subject: **08067945**

Field of work: **Production of food**

The entire estimated capital value to be privatized amounts to: **CSD 2.858.045.000** or **\*EUR 36.173.208** which is **81,6982 %** of the total capital of the subject.

**Deposit** for auction participation: **CSD 228.644.000** or **\*EUR 2.893.857**

**Initial price at auction sale: CSD 457.287.000**

**Minimum obligatory investments** into the subject to be privatized amounts to: **CSD 83.777.000**

**Main property of the subject undergoing privatization**

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

1. Building of industrial cold-storage room (11448) 2. Slaughterhouse (902) 3. Administrative building (862) 4. Workshop and service (1254) 5. Production hall (17539)

**B) Main Equipment:**

1) Device for chemical filtering of industrial waste 2) Cooling installation for cold-storage rooms 3) Part of the line for continuous fat melting 4) Vacuum filler P-10 (TIP 575) 5) Cooling compressor – 6 pieces (SVA 57)

**C) Land (m²):** *Construction land: (336749) ((10068) – socially owned; (326681) –state owned)*

Balance sheet per year	2004		2005	
	CSD	**EUR	CSD	**EUR
Shown in:				
Total business revenues	37.050.000	507.520	33.923.000	409.169
Total business expenses	86.980.000	1.191.474	75.451.000	910.068

**Main products/ services:** 1) Fresh meat and intestines 2) Dry meat products and other meat products 3) Frozen food 4) Froyen doughs

**Total number of employees:** 133; **of which BS/ BA:** 8