

Based on the Decision no. 439/1 dated 13 February 2007 of the General meeting of the Socially-owned enterprise Industrija galovih i tehničkih lanaca, transportnih i skladišnih sistema «Filip Kljajić», u restrukturiranju, from Kragujevac, 49 Dragoslava Srejovića St. and the Agreement on Power of Attorney certified with the First Municipal Court in Belgrade, II/1 Cert. No. 2456/06 dated 27 December 2006 closed between the Socially-owned enterprise Industrija galovih i tehničkih lanaca, transportnih i skladišnih sistema «Filip Kljajić», u restrukturiranju, from Kragujevac, 49 Dragoslava Srejovića St. and the Privatization Agency and Annex 1 of the Agreement on Power of Attorney certified with the First Municipal Court in Belgrade, II/1 Cert. no. 266/07 dated 21 February 2007,

Privatization Agency of the Republic of Serbia announces:

PUBLIC INVITATION

FOR PARTICIPATION IN THE PUBLIC BIDDING FOR

PURCHASE OF THE IMMOVABLE AND MOVABLE PROPERTY of the Društveno preduzeće Industrija galovih i tehničkih lanaca, transportnih i skladišnih sistema «Filip Kljajić», u restrukturiranju, (Socially-owned enterprise Industry of technical chains, transportation and warehousing systems «Filip Kljajić» in restructuring) from Kragujevac, 49 Dragoslava Srejovića St.

i.e.

PROPERTY UNIT “FABRIKA KRUPNIH LANACA” (BIG CHAIN PLANT)

AS FOUND

Sale code: 080307-R-1872

Subject of Public sale:

Subject of sale is the immovable property over which the holder of rights of disposal, use and managing, as well as the tenure holder of which is the Socially-owned enterprise Industrija galovih i tehničkih lanaca, transportnih i skladišnih sistema «Filip Kljajić», in restructuring, from Kragujevac, 49 Dragoslava Srejovića St., i.e. 18 facilities, total area of which is 16.992 m² inscribed in the V sheet of the Copy of the Register of the Immovable property recorded by the Office for the cadastre of the Immovable property no. 10630 of the Cadastral Municipality of Kragujevac 1, registered under no. 952 – 1/2007 – 427 and issued on 26 January 2007, representing the Property Unit Fabrika krupnih lanaca (Big Chain Plant), with the equipment and small inventory described into detail in the Appendix which is the integral part of the selling documents.

The most important facilities of the Property Unit of the Fabrika krupnih lanaca are: big chain plant, covering the area of 4401 m², facility no. 2 of the V sheet, building for chain conservation, covering the area of 1996 m², facility no. 17 of the B sheet, tempering plant, covering the area of 1296 m², facility no. 21 of the V sheet and warehouse and vehicle overhaul facility, covering the area of 877 m², facility no. 15 of the V sheet.

Aforementioned immovable and movable properties are offered for sale as found, without possibility for further complaints.

Mandatory requirements of the Public Sale:

The initial price at the Public Bidding amounts to **RSD 173.865.000,00**.

The Sales-Purchase price is to be paid off AT ONCE.

Means of payment for the Sales-Purchase price can be SOLELY in domestic currency or in foreign convertible currency.

Participation requirements:

The right to participate in the Public Bidding have parties which have cumulatively fulfilled the following requirements:

- have purchased the Bidding Documents;
- have signed the Confidentiality Agreement;
- have submitted the Application for participation in the Public Sale;
- have paid in the deposit for participation in the Public Bidding at the amount of **RSD 17.386.500,00**, or have submitted the Bid Bond at the amount of **RSD 17.386.500,00** along with the Application for participation in the Public Bidding, and
- have registered for participation in the Public Bidding.

As a Bidder can apply also a Consortium consisted of domestic and/or foreign legal entities and/or individuals (hereinafter: Consortium). Through the Consortium Agreement members of Consortium have to authorize one of them to represent a Consortium (hereinafter: the authorized Representative of the Consortium) to act on behalf of and for the account of a Consortium. Through the Consortium Agreement it has to be specified the unlimited joint and several liability of all members of a Consortium.

The Consortium Agreement has to be submitted along with the Application for participation in the Public Bidding.

Selling (bidding) documents:

Selling documents must contain:

- The Confidentiality Agreement
- Application form for participation in the Public Bidding
- Draft SPA
- Rules of the Public Bidding procedure – Instructions to Bidders
- Relevant documents related to property and legal matters
- Copy of the Public Invitation for participation in the Public Bidding

Those who are interested can purchase selling documents at the price of **RSD 40.000,00**.

After the payment evidence has been submitted, the selling documents can be collected at the following address: Privatization Agency, Belgrade, 23 Terazije St, 5th floor, office 511. The funds paid for the purchase of the selling documents are not to be returned.

The selling documents are available to interested parties commencing with 23 February until 05 March 2007, on working days from 09:00 to 16:00.

The parties which have purchased the Bidding documents and signed the Confidentiality Agreement will be enabled to visit the Subject of sale.

The site visit schedule will be determined in accordance with the Rules of the Public Bidding procedure – Instructions to Bidders.

Contact person:

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Submission of Applications for Participation in the Public Bidding:

The Applications shall be submitted directly to the Privatization Agency, Belgrade, 23 Terazije St., 5th Floor, office 511, in a sealed envelope marked with:

Auction Sale Code: **080307-R-1872**
APPLICATION FOR PARTICIPATION IN PUBLIC BIDDING
Privatization Agency of the Republic of Serbia
23/V Terazije St.
Belgrade

The deadline for submission of Applications for participation in the Public Bidding is 05 March 2007, at 17:00.

The Application for participation in the Public Bidding is to be completed in a separate form, which is the integral part of the Bidding Documents. Along with the Application for participation in the Public Bidding, it is mandatory to submit signed and on each page initialed Draft Sales-Purchase Agreement and the deposit payment receipt, i.e., the Bid Bond.

Incomplete and belated Applications will not be taken into consideration.

The Commission for the Public sale implementation will inform the applicants for participation in the Public Bidding on approval of their Applications at the latest until one working day prior to the Public Bidding date.

The participants whose Applications for participation in the Public Bidding have been approved, but who have failed to register, lose the right to be returned the deposit, i.e the Bid Bond. Even the participants who have been registered, but have not attended the Public Bidding lose the right to be returned the deposit, i.e. the Bid Bond.

Performance of the Public Bidding:

Public Bidding for the purpose of Public sale will be held on 08 March 2007, beginning at 13:00, at the address: Privatization Agency, Belgrade, 23 Terazije St., 2nd floor, Large Hall.

Registration of participants in the Public Bidding will be held at the same address, starting one hour prior to the Public Bidding performance, end ending ten minutes prior to the Public Bidding performance, i.e. in period from 12:00 to 12:50.

The method of the Public Bidding performance is described into detail in the Rules of the Public Bidding procedure.

The deposit, i.e. the Bid Bond, is to be returned to the participants not having been declared a buyer within 10 working days from the date of the Public Sale conclusion, except for the participant having bid the second-ranked offer at the Public Bidding procedure.

Conclusion of the Sales-Purchase Agreement on property:

The text of the Draft Sales-Purchase Agreement and the text of Sales-Purchase Agreement are not susceptible to change.

The participant, who has been the first to bid the best offer in the course of the Public Bidding procedure and has been declared a buyer, will sign the Sales-Purchase Agreement with the seller.

The participant, who has been the first to bid the best offer in the course of the Public Bidding procedure and has submitted the Bid Bond to the Agency, along with the Application for participation, as the means of the deposit payment guarantee, has the obligation to pay in the deposit amount to the Agency's account at the latest until two days following the Public Bidding date.

If a declared buyer refuses to sign the Minutes on the Public Bidding or the Sales-Purchase Agreement or fails to pay the Sales-Purchase price within the determined period, it will lose the right to be returned the deposit, i.e. the Bid Bond is to be cashed.

In case that a declared buyer refuses to sign the Minutes on the Public Bidding or the Sales-Purchase Agreement or fails to pay the Sales-Purchase price within the determined period, but there have been other bids, the Sales-Purchase Agreement on property will be concluded with the participant, who has bid the second-ranked offer at the price offered by that participant.

If a Bidder, who has bid the second-ranked offer at the Public Bidding, refuses to sign the Minutes or the Sales-Purchase Agreement on property or fails to pay the Sales-Purchase price within the determined period, it will lose the right to be returned the deposit, i.e. the Bid Bond will be cashed.

Right to amend the Public Invitation:

Privatization Agency and the Socially-owned enterprise Industrija galovih i tehničkih lanaca, transportnih i skladišnih sistema «Filip Kljajić», in restructuring, from Kragujevac, 49 Dragoslava Srejoviča St. reserve the right to change dates, deadlines and/or requirements set out in this Public Invitation, and shall bear no liability for possible costs or damages, which such corrections may cause to prospective participants in the Public Bidding.

Privatization Agency will inform prospective participants on corrections of the Public Invitation at the latest until the Public Bidding date.