

Pursuant to the Decision no. 439/1 dated 13.02.2007 of the Assembly of Socially-owned Enterprise for chain industry, transport and warehouse systems «Filip Kljajić», in restructuring, from Kragujevac, 49 Dragoslava Srejovića St. and the Contract of Power of Attorney certified in the First Municipal Court in Belgrade, II/1 Cer. no. 2456/06 dated 27.12.2006, concluded between Socially-owned Enterprise for chain industry, transport and warehouse systems «Filip Kljajić», in restructuring, from Kragujevac, 49 Dragoslava Srejovića St. and the Privatization Agency, and the Annex 1 of the Contract of Power of Attorney certified in the First Municipal Court in Belgrade, II/1 Cer. no. 266/07 dated 21.02.2007

Privatization Agency announces:

PUBLIC INVITATION

FOR PARTICIPATION IN THE PUBLIC BIDDING

FOR PURCHASE OF REAL ESTATE AND MOVABLE PROPERTY of Socially-owned Enterprise for chain industry, transport and warehouse systems «Filip Kljajić», in restructuring, from Kragujevac, 49 Dragoslava Srejovića St.

i.e.

THE PROPERTY UNIT OF SMALL CHAIN PLANT

AS FOUND

Sale Code: 080307-R-1874

Subject of Public Sale:

The subject of sale comprises the real estate of which the Socially-owned Enterprise for chain industry, transport and warehouse systems «Filip Kljajić», in restructuring, from Kragujevac, 49 Dragoslava Srejovića St. has the right of disposal, use and management, and of which it is a tenure holder; that refers to 17 facilities comprising the area of 10.282 m² registered in V document of the copy of the real estate document of the Real Estate Cadastre Office no. 10630, Cadastre Municipality of Kragujevac 1, no. 952 – 1/2007 – 427 and which was issued on 26.01.2007 which comprise the property of the Small Chain Plant, with equipment and small inventory which are described in detail in the Appendix which is an integral part of the Sale Documents.

Main facilities of the property of Small Chain Plant are as follows: hall for production of small chains comprising the area of 6522m², the facility no. 20 of V document, warehouse comprising the area of 832m², the facility no. 22 of V document, business premises comprising the area of 350m², the facility no. 25 of V document and the upkeep facility comprising the area of 282m², the facility no. 23 of V document.

The foregoing real estate and movable property are on sale as found, without possibility of later complaints.

Mandatory Terms of Sale:

The initial price at the public bidding amounts to CSD **135.082.000,00**.

The purchase price is to be paid AT ONCE.

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

Participation Requirements:

Participation in the public bidding is open to all domestic and foreign legal entities and individuals that have:

- purchased the bidding documents,
- signed the Confidentiality Agreement,
- submitted the application for participation in the bidding;
- paid the public bidding deposit amounting to CSD **13.508.200,00** or that have submitted, along with the application for participation, the bid bond amounting to CSD **13.508.200,00 and**
- that have been registered for the participation in the public bidding.

The bidding participant may also be a consortium of domestic and/or foreign legal entities and/or individuals (hereinafter: Consortium). The Consortium Agreement shall give authorization to one Consortium member to represent the Consortium (hereinafter: Authorized representative of the Consortium) and to act on behalf and for the Consortium. The Consortium Agreement must stipulate unlimited joint and several liabilities of all Consortium members.

The Consortium Agreement has to be submitted together with the application for participation in the public bidding.

Sale (Bidding) Documents:

Sale Documents include:

- Confidentiality Agreement,
- Application form for participation in the public bidding;
- Draft Agreement on Sale of the Share,
- Rules of the public bidding procedure – Instructions to Participants in the public bidding,
- Relevant property–legal documents,
- A copy of the Public Invitation for participation in the public bidding.

Interested parties can purchase the sale documents at the price of CSD 40.000,00.

Upon submitting the payment evidence, the sale documents can be collected at the following address: Privatization Agency, Belgrade, 23 Terazije St., 5th floor, Room 511.

The funds paid for the purchase of the sale documents are not refundable.

Sale Documents shall be available to the interested parties starting from 23.02.2007, from 9:00 to 16:00. The deadline for collecting the sale documents is 05.03.2007 at 16:00.

Visits to the subject of sale shall be available to the parties that have purchased the sale documents and signed the Confidentiality Agreement.

The periods of the visits to the subject of the public sale shall be determined in accordance with the Rules of public bidding procedure – Instructions to Participants in public bidding.

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, Terazije 23, 5th Floor, office 511, in a sealed envelope marked with:

Auction Sale Code: **080307-R-1874**
APPLICATION FOR PARTICIPATION IN PUBLIC BIDDING
Privatization Agency of the Republic of Serbia
Terazije 23/V, office 511
Belgrade

The Deadline for submission of application for participation in the public bidding is 05.03.2007 at 17:00.

The application for participation in the public bidding shall be completed in a separate form, which is an integral part of the Bidding Documents. Along with the application for participation in the public bidding, it is mandatory to submit Draft Purchase and Sale Agreement and the deposit payment receipt, that is, the bid bond.

Incomplete and late applications will not be taken into consideration.

The Commission for the conduct of the public bidding will inform the applicants on the approval of their applications no later than one day prior to the date of the public bidding.

The participants whose applications for participation in the public bidding have been approved, but who have not been registered, lose the right to be returned the deposit, i.e the bid bond. Even the participants who have been registered for the public bidding, but who have not attended the bidding, lose the right to be returned the deposit, i.e. the bid bond.

Public Bidding

The public bidding for the purpose of public sale will be held on 08.03.2007 at 13:00, at the following address: the Privatization Agency, Belgrade, 23 Terazije St., 2nd floor, Large Hall.

Registration of the participants in the public bidding will be held at the same address, starting one hour prior to hours before the public bidding, and finishing ten minutes prior to the public bidding, that is, from 12:00 to 12:50.

The method of public bidding is described in detail in the Rules of public bidding procedure.

The deposit, i.e. the bid bond, is to be returned to the participants not having been declared a buyer within the period of 10 weekdays after the conclusion of the public sale, except for the participant having bid the second best offer at the public bidding.

Conclusion of Property Sale Agreement:

The texts of Draft Property Sale Agreement and Property Sale Agreement cannot be changed.

The participant having been the first to bid the highest offer at the public bidding and having been declared a buyer, shall sign the Property Sale Agreement.

The participant having been the first to bid the highest offer at the public bidding, and having submitted the bid bond to the Agency, along with the application for participation in the public bidding, is obliged to pay the amount of the deposit into the account of the Agency two days after the public bidding has been held at the latest.

If the declared buyer refuses to sign the public bidding minute or the Property Sale Agreement or does not pay the purchase price within the stipulated period, it loses the right to be returned the deposit, i.e. the bid bond is to be cashed.

If the declared buyer refuses to sign the public bidding minute or the Property Sale Agreement or does not pay the purchase price within the stipulated period, and there were other offers, the Property Sale Agreement is to be concluded with the participant having bid the second best offer at the price offered by that participant.

If the participant which has bid the second best offer at the public bidding refuses to sign the public bidding minute or the Property Sale Agreement or does not pay the purchase price within the stipulated period, it loses the right to be returned the deposit, i.e. the bid bond is to be cashed.

Right to Amend Public Invitation:

The Privatization Agency and the Socially-owned Enterprise for chain industry, transport and warehouse systems «Filip Kljajić», in restructuring, from Kragujevac, 49 Dragoslava Srejovića St. reserve the right to change dates, deadlines and/or terms of this public invitation, and shall bear no liability for potential costs or damages suffered by potential participants in the public bidding as a result of such amendments.

Potential participants will be informed on the amendments to the Public Invitation no later than by the date of the public bidding.