

Pursuant to the Decision of the Board of IPM ltd, in restructuring, Majdanpek, on adoption of the Restructuring Programme no. 864 dated 31 May 2007, the Decision of the Privatization Agency on accepting the Restructuring Program no. R-42/07-01 dated 1 June 2007, the Decision of the Board of IPM ltd, in restructuring, Majdanpek, on the sale of the assets of the organizational unit Megaplast, Donji Milanovac, which is within the structure of IPM ltd, in restructuring, Majdanpek, by the method of public bidding no. 1084 dated 14.09.2007, and the Contract of Power of Attorney no. 1-1206/07-764/03, dated 31 July 2007, concluded between IPM ltd, in restructuring, Majdanpek, as a Principal, and Serbian Privatization Agency, as a Holder of Power of Attorney, the Privatization Agency announces

**PUBLIC INVITATION FOR PARTICIPATION IN THE PUBLIC BIDDING FOR
PURCHASE OF THE ASSETS
OF ORGANIZATIONAL UNIT MEGAPLAST DONJI MILANOVAC, WITHIN THE
STRUCTURE OF IPM LTD. IN RESTRUCTURING MAJDANPEK**

**Sale Code:
111007-R-2042 P**

1. Subject of Sale

The subject of sale comprises the real estate and movable property of the organizational unit Megaplast, Donji Milanovac within the structure of IPM ltd. in restructuring, Majdanpek, Šaška bb. (hereinafter: enterprise):

- 1) **Land** in the area of 01ha 80a 20m² registered in Real estate List nos. 303,853,844 and 854, K.O. Mosna;
- 2) **Facilities:**
 - Production facility, 28.215,00 m², on the cadastre lots 1703/2 and 1703/4 K.O.Mosna;
 - Production hall DIB, 2.558,00 m², on the cadastre lot 3014/2 K.O.Mosna;
 - Production hall Rondele, 1.430,80 m², on the cadastre lot 2826/3 K.O.Mosna;
 - Tool facility, 685,57 m², on the cadastre lot 1703/3 K.O.Mosna;
 - Warehouse (old canteen), 412,23 m²;
 - and other civil engineering facilities (access path, roads, waterworks network, pipelines, pump and ammonia stations);
- 3) **Equipment;**
- 4) **Supplies of materials**, small inventory, unfinished and finished products.

The real estate and movable property which are on sale can be found in the Property List which is the integral part of the public bidding documents.

The real estate is on sale as seen, without possibility of later complaints.

2. Bidding Documents

Interested parties can purchase the sale documents at the price of RSD: 40.000,00, after they receive the invoice from the Privatization Agency. The purchase of the bidding documents is mandatory, and on its receipt one is to sign the Confidentiality Agreement. Upon submitting the payment evidence, the sale documents can be collected at the following address: Privatization Agency, Auction Center, 23 Terazije St. (5th floor), 11000 Belgrade, 10:00-17:00, from 17.09.2007 to 02.10.2007.

3. Initial Price

The initial price at the public bidding amounts to RSD 56.934.037,00 (fifty-six million nine hundred and thirty-four thousand thirty-seven dinars), increased by 5% of advance and RSD 200.000,00 of actual costs of the Privatization Agency, which carries out the sale of the assets, which amounts to RSD 59.980.738,00 (fifty-nine million nine hundred and eighty thousand seven hundred and thirty-eight dinars).

4. Requirements for a Purchaser

Declared Purchaser shall assume the obligations pursuant to the Sale and Purchase Agreement which is the integral part of the bidding documents.

By submitting the application, the participant fully accepts the conditions given in the Instructions to Participants and Draft Sale and Purchase Agreement, which are the integral part of the sale Documents.

5. Requirements for Participants

All legal entities and individuals have the right to participate in the sale process, with the limitations mentioned in the Instructions to Participants, if they purchase the sale documents, submit the application for participation in the public bidding and pay the deposit amounting to: RSD 5.998.074,00 (five million nine hundred and ninety-eight thousand seventy-four dinars), which is 10% of the initial sale price, or if they submit the first-class bank guarantee at the same amount in accordance with the Instructions to Participants.

In case that the bank guarantee has been submitted as a means of paying the deposit, it has to be payable within the period of 48 hours after the purchaser has been declared at the public bidding.

6. Due Diligence procedure

After signing the Confidentiality Agreement and purchasing the bidding documents, a potential participant shall be in the position to visit the assets which are the subject of sale, have meetings with the persons in charge and check financial, commercial and legal data referring to the assets.

7. Submission of Applications for Participation in the Public Bidding

The deadline for submission of applications is 03.10.2007 at 17:00. The applications are to be submitted to the Privatization Agency, in a sealed envelope marked with the following:

APPLICATION FOR PARTICIPATION IN PUBLIC BIDDING
111007-R-2042 P

SERBIAN PRIVATIZATION AGENCY
AUCTION CENTER
23 TERAZIJE St., 5th FLOOR, 11000 BELGRADE

If there is the name of the subject of sale on the envelope or the full sale code, the application can be rejected. Application for participation is to be filled in a separate form, which is the integral part of the purchased documents and has to contain the data given in the Instructions to Participants, deposit payment evidence and number of account for returning the deposit. Incomplete and late applications shall not be taken into consideration. The Commission for the conduct of the public bidding shall inform the applicants on the approval of their applications no later than two weekdays prior to the date of the public bidding.

8. Public Bidding

The public bidding will be held on **11.10.2007, starting at 14:00** at the Privatization Agency, 23 Terazije St., Belgrade, Large Hall on the second floor.

Registration of the participants in the public bidding will be held at the same address, in the Small Hall, on 11.10.2007. from **13:00 to 13:50**.

The method of public bidding and conclusion of the Sale and Purchase Agreement are described in detail in the Instructions to Participants.

The deposit is to be returned to the participants who have not been declared a buyer within the period mentioned in the Instructions to Participants.

The participant to be the first to bid the highest offer and which is declared a buyer, shall have the deposited sum calculated in the purchase price, while the margin between the deposited sum and the final purchase price is to be paid by the declared buyer in the account of the Privatization Agency pursuant to the provisions of the Sale and Purchase Agreement. In case that it refuses to sign the Sale and Purchase Agreement, the deposit is to be retained.

Privatization Agency

Jadranka Zec, Restructuring Center
11000 Belgrade, Serbia
Tel: + 381-11-3029-936
e-mail: jzec@priv.yu

Marko Đokić, Auction Center
11000 Belgrade, Serbia
Tel: + 381-11-3020-803
e-mail: mdjokic@priv.yu

IPM ltd, in restructuring, Majdanpek

Siniša Jevrić, Acting Director
Šaška bb
19250 Majdanpek, Serbia
Tel: + 381 30 581 691