

According to the Decision of the Meeting of shareholders of the of the Holding kompanija mešovite svojine Industrija viskoznih proizvoda i celuloze «Viskoza» a.d. u restrukturiranju, Loznica, Gradilište b.b. (hereinafter: HK «Viskoza» A.D. Loznica) no. 017/117 dated 21 December 2006 and the Agreement on the Power of Attorney between HK «Viskoza» A.D. Loznica, as the Ordering Party and the Privatization Agency of the Republic of Serbia dated 22 December 2006, as the Holder of the Power of Attorney,

Privatization Agency of the Republic of Serbia announces:

**PUBLIC INVITATION FOR PARTICIPATION IN THE PUBLIC BIDDING FOR
PURCHASE OF SHARES OF THE HOLDING KOMPANIJA MEŠOVITE SVOJINE INDUSTRIJA
VISKOZNIH PROIZVODA I CELULOZE «VISKOZA» A.D. U RESTRUKTURIRANJU, LOZNICA,
(HOLDING COMPANY IN MIXED PROPERTY – INDUSTRY OF THE VISCOUS PRODUCTS
AND CELLULOSE «VISKOZA», JOINT-STOCK COMPANY IN RESTRUCTURING, LOZNICA),
IN THE ENTERPRISE «TRANSPORT» D.O.O. LOZNICA, («TRANSPORT» LLC), LOZNICA,
WHICH IS 100 % OF CAPITAL OF THE «TRANSPORT» D.O.O.**

Sales Code: 130207-P-1848

1. Subject of Sale:

Subject of sale is the share of the Holding kompanija mešovite svojine Indutrija viskoznih proizvoda i celuloze «Viskoza» a.d. u restrukturiranju, Loznica, Gradilište b.b., in the enterprise «Transport» d.o.o. Loznica, which is 100 % of the capital «Transport» d.o.o., the initial price of which amounts to RSD 5.772.000,00.

Mandatory requirements of the Public Sale:

The initial price at the Public Bidding amounts to **RSD 5.772.000,00**.

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.

If a declared buyer is a foreign legal entity or a foreign individual, it can pay the Sales-Purchase price in the counter-value of the foreign convertible currency, calculated according to the official intermediate exchange rate of the National Bank of Serbia (NBS) on the payment date.

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 577.200,00**, which can also be paid in the counter-value of the foreign convertible currency, calculated according to the official intermediate exchange rate of the NBS, current on the announcing date of the Public Invitation or have submitted the Bid Bond at the amount of **RSD 577.200,00** along with the Application for participation in the Public Bidding, which can also be paid in the counter-value of the foreign convertible currency, calculated according to the official intermediate exchange rate of the NBS, current on the announcing date of the Public Invitation 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 the Consortium (hereinafter: the Authorized Representative of the Consortium) to act on behalf of and for the account of the Consortium. Through the Consortium Agreement it has to be determined 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 for sale of shares
- Rules of the Public Bidding procedure – Instructions to Bidders
- Relevant documents related to property and legal matters

Those who are interested may purchase selling documents at the price of **RSD 40.000,00** without VAT, after the invoice by the Privatization Agency has been issued.

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 08 January 2007 until 05 February 2007, on working days from 09:00 - 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.

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Submission of Applications for participation in the Public Bidding:

The Applications are to be submitted directly to the Privatization Agency, 23 Terazije St., Belgrade, 5th floor, office 511, in a sealed envelope, with the inscription as follows:

Auction Sale Code: **130207-P-1848**

APPLICATION FOR PARTICIPATION IN THE PUBLIC BIDDING

Privatization Agency of the Republic of Serbia

23/V Terazije St, office 511,

Belgrade

The deadline for the Application submission for participation in the Public Bidding expires on 06 February 2007, at 15:00. Application for participation in the Public Bidding is to be filled out 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 necessary to submit the signed and on each page initialed Draft SPA and the Deposit payment evidence, i.e. the Bid Bond.

Incomplete and belated Applications shall not be taken into consideration.

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

The parties, which Applications for participation in the Public Bidding have been approved, but which have failed to register, lose the right to be returned the deposit, i.e. the Bid Bond. The right to be returned the deposit, i.e. the Bid Bond, will lose also those parties, which have registered for the Public Bidding, but have failed to participate.

Public Bidding performance:

Public Bidding for the purpose of the Public Sale will be held on 13 February 2007, with the beginning at 11:00, at the address: Privatization Agency, Belgrade, 23 Terazije St, 2nd floor, Large Hall.

Registration of participants in the Public Bidding will be held on 13 February 2007, at the same address, on the 2nd floor in the Small Hall, commencing two hours prior to the Public Bidding, and closing 10 minutes prior to the Public Bidding performance, i.e. in period from 09:00 - 10:50.

The method of the Public Bidding performance is described into detail in the Instructions to Bidders.

The deposit, i.e. the Bid Bond is to be returned to the participants which have not been declared a buyer, within 10 days from the date of the Public Sale closing, save to the participant, which has bid the second-ranked offer in the course of the Public Bidding procedure.

Conclusion of the Sales-Purchase Agreement on sale of shares:

Contents of the Draft SPA and the SPA are not susceptible to change.

A participant, which 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 SPA on sale of shares with the seller.

A participant, which has been the first to bid the best offer in the course of the Public Bidding procedure, and has submitted to the Agency the Bid Bond along with the Application for participation as a 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 date of the Public Bidding performance.

If a declared buyer refuses to sign the Minutes on the Public Bidding or the SPA on sale of shares or fails to pay the Sales-Purchase price within the determined deadlines, it will lose the right to be returned the deposit, i.e. the Bid Bond is to be charged.

In the event that a declared buyer refuses to sign the Minutes on the Public Bidding or the SPA on sale of shares or does not pay the Sales-Purchase price within the determined deadline, but there have been other bids, the SPA on sale of shares is to be concluded with the participant, which has bid the second-ranked offer at the price, offered by that participant.

If a participant, which has bid the second-ranked offer in the course of the Public Bidding procedure, refuses to sign the Minutes or the SPA on sale of shares or does not pay the Sales-Purchase price within the determined deadline, it will lose the right to be returned the deposit, i.e. the Bid Bond is to be charged.

Right on correction of the Public Invitation:

Privatization Agency and the Holding Korporacija »Viskoza« AD, Loznica keep the right to change dates, deadlines and/or conditions set out in this Public Invitation, and do not bear any responsibility for possible costs or damages, which such changes may cause to prospective participants in the Public Bidding.

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