

According to Decision of the Meeting of the DP Milan Blagojević – Hemija «u restrukturiranju» (Socially-owned enterprise Milan Blagojević – Hemija «in restructuring», Lučani, Radnička St. bb (hereinafter: Milan Blagojević – Hemija, Lučani), no. 8 dated 12 January 2007 and the Agreement on Power of Attorney II/1 Cert. no. 282/2007 dated 28 February 2007 between the enterprise Milan Blagojević – Hemija, Lučani, as the Ordering Party and the Privatization Agency of the Republic of Serbia, as the Holder of Power of Attorney, Privatization Agency of the Republic of Serbia announces:

**PUBLIC INVITATION FOR PARTICIPATION IN THE PUBLIC BIDDING FOR SALE OF THE SHARE OF THE SOCIALLY-OWNED ENTERPRISE MILAN BLAGOJEVIĆ – HEMIJA «IN RESTRUCTURING», LUČANI, REPRESENTING 100% OF CAPITAL OF THE ENTERPRISE FOR PRODUCTION OF PACKAGING AND OTHER PRODUCTS OF PLASTIC MASSES “MILAN BLAGOJEVIĆ – FOLIJE I PLASTIČNA AMBALAŽA (PLASTIC SHEETS AND PACKAGINGS) LTD.”, LUČANI**

**Sale Code: 180407-R-1912**

**1. Subject of sale**

Subject of sale is the share of the Socially-owned enterprise “Milan Blagojević – Hemija «in restructuring», Lučani, Radnička St. bb in the enterprise for production of packaging and other products made of plastic mass “Milan Blagojević – Plastic sheets and packaging Ltd., Lučani, whose initial price amounts to RSD 15.538.658,00.

**Mandatory conditions of Public sale:**

Initial price at the Public Bidding amounts to **RSD 15.538.658,00**.

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

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

If a declared buyer is a foreign legal entity or individual, it can pay the Sales and 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 1.553.866,00**, what can 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, along with the Application for participation in the Public Bidding, the Bid Bond at

the amount of **RSD 1.553.866,00**, what 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 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 Agreement on sale of shares
- Rules of the Public Bidding procedure – Instructions to Bidders
- Relevant documents related to property and legal matters

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

After the payment evidence has been submitted, the selling documents can be collected at the following address: Privatization Agency, Belgrade, 23 Terazije St, 5<sup>th</sup> floor, office 511.

The funds paid for purchase of the selling documents are not to be returned.

**The selling documents can be purchased from 19 March until 10 April 2007, on working days from 09:00 to 16:00.**

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

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

**Contact person:**

Vuk Perić  
Auction Center  
tel: +381-11-30 20 803, 30 20 895  
fax: +381-11- 30 29 985  
E-mail: [vperic@priv.yu](mailto:vperic@priv.yu)  
[www.priv.yu](http://www.priv.yu)

**Submission of Applications for Participation in the Public Bidding:**

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

Auction Sale Code: **180407-R-1912**  
**APPLICATION FOR PARTICIPATION IN PUBLIC BIDDING**  
Privatization Agency of the Republic of Serbia  
23/V Terazije St., office 511  
Belgrade

**The deadline for submission of Applications for participation in the Public Bidding is 10 April 2007, at 17:00.**

The Application for participation in the Public Bidding is to 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 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.

**Public Bidding performance:**

**Public Bidding for the purpose of Public sale will be held on 18 April 2007, at 14:00, at the address: Privatization Agency, Belgrade, 23 Terazije St., Large Hall on the second floor.**

Registration of participants in the Public Bidding will be held on April 18, 2007 at the same address, in the Small Hall on the second floor from 13:00 to 13:50.

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

The deposit, i.e. the Bid Bond is to be returned to all the participants, who have not been declared buyers, within 10 days following the date of the Public sale conclusion, except for the participant, who has bid the second-ranked offer in the Public Bidding procedure.

**Conclusion of the Agreement on sale of shares:**

The text of the Draft Agreement on sale of shares and the text of the Agreement on sale of shares 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 and 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 in the Public Bidding, as the means of 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 Agreement on sale of shares or fails to pay the Sales-Purchase price within the established period, it will lose the right to be returned the deposit, i.e. the Bid Bond will be cashed.

In case that a declared buyer refuses to sign the Minutes on the Public Bidding or the Agreement on sale of shares, or fails to pay the Sales-Purchase price within the established period, but there have been other bids, the Agreement on sale of shares 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 Agreement on sale of shares or fails to pay the Sales-Purchase price within the established 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 enterprise «Milan Blagojević»-Hemija, Lučani, 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.