

According to the Decision of the Management Board of the Public enterprise „Jugoimport-SDPR“, Belgrade, 1/0 number 116-39 dated 28.11.2006, Ruling on granting approval for sale of the stake of the Government of the Republic of Serbia 05 number: 023-1162/2007 dated 01.03.2007 and Agreement on Power of attorney between Public enterprise «Jugoimport-SDPR», Belgrade, as Ordering Party and Privatization Agency RS II/1 Cert. no. 154/2008 dated 04.03.2008, as Holder of Power of attorney, Privatization Agency RS is announcing:

**PUBLIC INVITATION FOR PARTICIPATION IN THE PUBLIC BIDDING FOR PURCHASE
OF THE STAKE OF THE PUBLIC ENTERPRISE „JUGOIMPORT-SDPR“, BELGRADE IN THE
LIMITED LIABILITY COMPANY
«JUTRA» FOR PRODUCTION, PROCESSING AND TRADE, BELGRADE, WHICH IS 100% OF THE
INITIAL CAPITAL OF THE ENTERPRISE**

Sale code: 191208-R-3209P

1. Subject of sale

Subject of sale is the stake of the Public enterprise „Jugoimport-SDPR“, Belgrade, in the amount of 100% of the initial capital in the Limited Liability Company „Jutra“, Belgrade, ID no. 17374109, whose estimated value as at 30.06.2007 amounts to EUR 5.984.000,00.

MANDATORY CONDITIONS OF PUBLIC SALE:

The initial price at the Public bidding amounts to EUR 4.188.800,00 in the RSD equivalent according to the official selling exchange rate of the National Bank of Serbia (hereinafter: “NBS”) on the payment date.

The sale and purchase price is to be paid off AT ONCE.

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

If a declared buyer is a foreign legal entity or individual, it can pay the Sale and Purchase price in the counter-value of the foreign convertible currency, calculated according to the official selling exchange rate of the NBS on the payment date.

PARTICIPATION REQUIREMENTS:

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

- which have purchased the Bidding documents;
- which have concluded the Confidentiality Agreement;
- which have submitted the application for participation in the Public sale;
- which have paid in the deposit for participation in the Public bidding in the amount of EUR 418.880,00, which is also payable in the RSD equivalent calculated according to the official selling exchange rate of the NBS, current on the announcing date of the Public invitation or have submitted, together with the application for participation in the Public bidding, the Bid Bond, amounting to EUR 418.880,00, which is also payable in the RSD equivalent, calculated according to the official selling exchange rate of the NBS, current on the announcing date of the Public Invitation, and
- which 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). By the Agreement on Consortium, the members of Consortium have to authorize one of

them to represent a Consortium (hereinafter: Authorized representative of the Consortium) to act on behalf of and for the account of the Consortium. The Consortium Agreement must determine unlimited joint and several liabilities of all members of the Consortium.

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

Selling (bidding) documents:

Selling documents must contain:

- Confidentiality Agreement;
- Application Form for participation in the public sale;
- Draft Stake SPA;
- Rules of the Public bidding procedure – Instructions to Bidders;
- Relevant documents related to property – legal matters;
- Copy of the Public invitation for participation in the Public bidding.

Interested parties can purchase the 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., 5th floor, office 511.

The money paid for the purchase of the selling documents is not to be returned.

Selling documents shall be available to interested parties commencing with 27.11.2008. Deadline for collection of the selling documents is 10.12.2008, at 16:30.

The parties which purchase the selling documents and sign the Confidentiality Agreement will be enabled to visit the Subject of sale.

The site visit schedule will be determined according to the Rules of the Public bidding procedure – Instructions to Bidders.

Contact person:

Ljiljana Obradović

Associate

tel: +381-11-3020 842

fax: +381-11- 3020 881

E-mail: ljobradovic@priv.rs

www.priv.yu

Submission of applications for participation in Public bidding:

Applications shall be submitted directly to the Privatization Agency, Terazije St. 23, Belgrade, 4th floor, in a sealed envelope, marked with:

Auction sale code: **191208-R-3209P**
APPLICATION FOR PARTICIPATION IN PUBLIC BIDDING
Privatization Agency of the Republic of Serbia
Terazije 23/V, Belgrade

Deadline for submission of applications for participation in the Public bidding is December 11, 2008, at 16:30.

The application for participation shall be completed in a separate form which is an integral part of the bidding documents. Together with the application for participation in the Public bidding it is necessary to submit the signed and on each page initialed Draft SPA and deposit payment evidence, i.e. the Bid Bond.

Incomplete and belated applications will not be taken into consideration.

The Commission for conduct of the Public sale will inform applicants on approval of their applications at the latest until one weekday prior to the Public bidding date.

Those 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. The right to be returned the deposit, i.e. the Bid Bond will lose also those parties who have registered for the Public bidding, but have failed to participate in it.

Public bidding:

Public bidding for the purpose of public sale will be held on 19.12.2008, with the beginning at 14:00, at the address: Privatization Agency, Belgrade, Terazije St. 23, 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, and ending ten minutes prior to the Public Bidding, i.e. in the period from 13:00 to 13:50.

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

The deposit, i.e. the Bid Bond, is to be returned to the participants, which have not been declared buyers, within 8 weekdays following the closing date of the Public sale, save to the participant, which has bid the second-ranked offer in the course of the Public Bidding procedure.

Closing of the Stake Sale and Purchase Agreement:

The text of the Draft Stake Sale Agreement and the text of the Stake Sale Agreement cannot be changed.

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 Stake Sale Agreement.

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

If a declared buyer refuses to sign the Minutes on the Public bidding or the Stake Sale Agreement or fails to pay the Sale and 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 a declared buyer refuses to sign the Minutes on the Public bidding or the Stake Sale Agreement or fails to pay the Sale and purchase price within the determined period, but there have been other bids, the Stake Sale Agreement will be signed 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 Stake Sale Agreement or fails to pay the Sale and 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 Public enterprise "Jugoimport-SDPR", Belgrade, 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 potential participants in the Public bidding.

Privatization Agency will inform potential participants about the corrections of the Public invitation at the latest until the Public Bidding date.