

According to the Decision of the Managing Board of the joint-stock company for foreign and domestic trade "CENTROTEKSTIL", Belgrade No. 118-3106/01 dated 20.12.2005 and the Contract of Power of Attorney No. II Cer. No. 1406/06 dated 08.08.2006 concluded between the joint-stock company for foreign and domestic trade "CENTROTEKSTIL", Belgrade and the Privatization Agency,

The privatization Agency announces:

PUBLIC ANNOUNCEMENT

**FOR PARTICIPATION IN THE PUBLIC BIDDING FOR
THE PURCHASE OF THE REAL ESTATE OF A.D. for foreign and domestic trade "Centrotekstil",
Belgrade**

i.e.

Fashion Store "Centrotekstil" in Belgrade, 12-14 Makedonska St.

AS FOUND

Sales code: 280906T-1753

Subject of the Public Sale:

Subject of the sale is the real estate owned by A.D. for foreign and domestic trade "Centrotekstil", Belgrade, i.e. Fashion Store "Centrotekstil" in Belgrade, 12-14 Makedonska St., that is, the separate parts of the facility situated on the cadastral lot No. 2801/1 marked with the numbers 1, 3 and 10 in the real estate deed No. 1557 KO Stari Grad, in the total area of 1.893 m². The foregoing real estate is comprised of the basement of 477 m², ground-floor of 667 m² and mezzanine of 749 m².

The real estate mentioned above is sold as found, without possibility of further complaints.

MANDATORY TERMS OF THE PUBLIC SALE:

Initial price in the public bidding is **CSD 5.000.000,00**.

Purchase and sale price shall be paid **AT ONE TIME**.

Means of payment can be **ONLY** local currency or foreign convertible currency.

If the selected buyer is a domestic legal entity or an individual, the purchase price can be paid in local currency, at the official selling exchange rate of the National Bank of Serbia on the payment date.

Terms of Participation:

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 EUR **500.000,00**, or to CSD equivalent based on the official rate of the National Bank of Serbia on the day of the bidding's announcement, or that have submitted, along with the application for participation, the bidding guarantee amounting to EUR **500.000**, or to CSD equivalent based on the official rate of the National Bank of Serbia on the day of the bidding's announcement, and that
- have been registered for 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 of the Sale of Real Estate
- 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 **EUR 1.000,00** without VAT, or of CSD equivalent based on the official rate of NBS valid on the day of issuing the invoice by the Privatization Agency.

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 08.09.2006. Deadline for collection of the sale documents is 25.09.2006 at 17:00.

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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More data on the subject of sale can be found at the Internet address:

www.priv.yu

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: **280906T-1753**
APPLICATION FOR PARTICIPATION IN THE PUBLIC BIDDING
Privatization Agency of the Republic of Serbia

The Deadline for submission of application for participation in the public bidding is 25.09.2006 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 Documentation. 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 bidding guarantee.

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 bidding guarantee. 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 bidding guarantee.

Public Bidding:

The public bidding for the purpose of public sale will be held on 28.09.2006, at 11:00, at the 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 two hours before the public bidding, and finishing ten minutes prior to the public bidding, that is, from 09:00 to 10:50.

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

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

Conclusion of the Property Sale Agreement:

The texts of the Draft Agreement of Real Estate Sale and the Agreement of Real Estate Sale are not changeable.

The participant having been the first to bid the highest offer at the public bidding and having been declared a buyer, shall sign the Agreement of Real Estate Share with the Seller.

The participant having been the first to bid the highest offer at the public bidding, and having submitted the bidding guarantee 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 bidding guarantee 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 having 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 bidding guarantee is to be cashed.

Right to Amend the Public Invitation:

The Privatization Agency reserves 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.