

Pursuant to the Decisions of the Board of «Fabrika lak žice», Bor d.o.o. on adoption of restructuring program and sale of the assets by public auction no. 119 dated 09.08.2006, no. 120 dated 09.08.2006, no. 181 dated 16.02.2007 and no. 568 dated 20.02.2007, the Decision of the Privatization Agency on adoption of restructuring program no. R-145/06-OD dated 17.08.2006, the Decision of the Privatization Agency on accepting the amendments to the restructuring program no. R-11/07-OD dated 21.02.2007, the Contract of Power of Attorney II/1 cer. no. 1498/06 dated 23.08.2006 and the Annex 1 of the Contract of Power of Attorney II/1 cer no. 283/2007 dated 28.02.2007 between «Fabrika lak žice» Bor d.o.o., as a Principal, and Serbian Privatization Agency, as a Holder of Power of Attorney, the Privatization Agency announces:

**PUBLIC INVITATION FOR PARTICIPATION IN THE SECOND PUBLIC
BIDDING
FOR PURCHASE OF REAL ESTATE AND EQUIPMENT OF
«FABRIKA LAK ŽICE» BOR D.O.O.
Sale Code: R-180407-030p**

1. Subject of Sale

The subject of sale includes real estate – the facilities of «Fabrika lak žice» Bor d.o.o, comprising the area of 30.596 m².

The foregoing real estate was built on the land used by «Fabrika lak žice» Bor d.o.o. whose entire area comprises 29 ha 80 a 57 m².

The subject of sale is also the movable property – the equipment according to the specification given in the list of movable property which is the integral part of the bidding documents.

Real estate and movable property are on sale as found, without possibility of later complaints.

2. Bidding Documents

Interested parties can purchase the sale documents at the price of CSD: 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, 09:00-17:00, from 15.03.2007 to 10.04.2007.

3. Initial Price

Initial price in the public bidding for the real estate and equipment of «Fabrika lak žice» Bor d.o.o. amounts to: CSD **354.280.281,75** (three hundred and fifty-four million two hundred and eighty thousand two hundred and eighty-one and 75/100).

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 which are the integral part of the sale Documents.

5. Requirements for Participants

All legal entities and natural persons have the right to participate in the sale process with the limitations mentioned in the Instructions to Participants, if they submit the application for participation and pay the deposit amounting to:

CSD 35.428.028,00

(thirty-five million four hundred and twenty-eight thousand and twenty-eight), i.e. 10% of the initial sale price, or 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 Dilligence procedure

After signing the Confidentiality Agreement and purchasing the bidding documents, a potential participant shall be in the position to visit the aseets of «Fabrika lak žice» Bor d.o.o, have meetings with the persons in charge and check financial, commercial and legal data. Then, if the potential participant decides to participate in the public bidding, it is necessary for him/her to pay the deposit or submit the first-class (irrevocable) bank guarantee and submit the Application for Participation, as described in the Instructions to Participants.

7. Submission of Applications for Participation in the Public Bidding

The deadline for submission of applications is 11.04.2007 at 12:00. The applications are to be submitted to the Privatization Agency, in a sealed envelope marked with the following:

APPLICATION FOR PARTICIPATION IN PUBLIC BIDDING
R-180407
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 one day prior to the date of the public bidding.

8. Public Bidding

The public bidding will be held on **18.04.2007**, starting at 11:00, 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 18.04.2007, from 10:00 to 10:50.

The method of public bidding and conclusion of the Sale and Purchase Agreement is described in detail in the Instructions to Participants, which are the integral part of the sale documents.

The deposit is to be returned to the participants not having 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.

«Fabrika lak žice» Bor d.o.o.

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