

According to the Decision of the Government of the Republic of Serbia 05 No: 023-7511/2004-001 dated 19.11.2004 made at the request of the Privatization Agency No. 66-2802-ZDS/02 dated 28.02.2003, and in accordance with the Decision of the Board of MK «Rudnik» a.d. Gornji Milanovac, in restructuring, No. 921/1 dated 11.04.2005 and the Agency Contract No.1-418/05-66/02 concluded on 22.04.2005 between fashion ready-made clothing company «Rudnik» a.d. Gornji Milanovac, in restructuring (further in the text: the Seller) and the Privatization Agency, the Privatization Agency announces:

PUBLIC INVITATION FOR PARTICIPATION IN PUBLIC AUCTION

I. Object of sale: movable and immovable assets of the Seller, the plant MK «Rudnik» in Belgrade (further in the text: the plant in Belgrade), **sale code: R-190505-012p**, as follows:

A) Construction facilities of the Seller situated in Belgrade, 59a Gočka St., on registered lot 989 KO Kneževac, of which it is non-registered owner and which comprise:

1. Office space	440,00 m ²
2. Production works – hall of the plant	1.520,00 m ²
3. Warehouses	3.099,00 m ²
4. Shelter	90,00 m ²

with land of 10.026 m², on registered lot 989 KO Kneževac, of which it is non-registered owner.

B) Equipment:

1 Sewing machines	200
2 Irons and ironing tables	20
3 Other production equipment	184
4 Typewriters and computers	8
5 Furniture	827
7 Telephones	1
8 Vehicles and forklift trucks	3

(further in the text: the assets on sale)

The mention assets are on sale as it was seen, without later complaints.

II. Obligatory conditions of sale:

- a) initial price for the plant in Belgrade which is on sale is 90.727.388,00 dinars;
- b) The buyer is to provide permanent employment for 203 (two hundred and three) persons employed by the Seller in its plant in Belgrade;
- c) The buyer is not to dismiss the accepted workers due to technological, economic and organizational changes within the period of 3 (three) years starting from the day of the conclusion of the Sales Contract;

- d) The buyer is to conclude Individual Collective Contract of the same content as in the Individual Collective Contract of the Seller which was submitted in the sale documentation;
- e) The buyer is to pledge not to change Individual Collective Contract within the period of 3 (three) years, except on the basis of agreement of both contractual sides;
- f) The buyer is to keep the basic field of production of the plant in Belgrade within the period of 5 (five) years after the Sales Contract signing;
- g) The buyer is to accept rights and obligations stipulated in the final text of the Sales Contract which is integral part of the documentation.

III. Conditions for participation

The buyer of immovable assets of the Seller cannot be: 1) domestic legal person in business with major socially-owned capital; 2) legal and physical persons who have due but unsettled obligations towards the Seller and 3) dependent enterprises of the Seller. Such applications will be rejected..

The participant can be an enterprise, individual investor, consortium comprising enterprises and/or individual investors ("Consortium"). One of the members of the Consortium, that is, person given the authority by the Consortium, has to be appointed to represent the Consortium ("accredited representative of the Consortium") and to work on behalf of and for the benefit of the Consortium.

IV. Insight into documentation and its collection

Those who are interested can buy public auction documentation at the price of 25.000,00 dinars after the invoice is received from the Privatization Agency. Purchase of public auction documentation is obligatory, and on its receipt one is to sign the Agreement on Keeping the Confidential Information.

After the payment evidence is submitted, public auction documentation can be collected at the following address: the Privatization Agency of the Republic of Serbia, the Auction Center, 23 Terazije St., 5th floor, room 511, 9:00 - 17:00, from 04.05.2005 to 16.05.2005.

Having collected public auction documentation, the interested buyers can view the assets that are on sale at the address: Belgrade, 59a Gočka St., at the secretary of the Commission for the Sale of Assets, contact person Sunčica Jakovljević, every weekday 9:00-13:00. Contact telephones: 032/725-711.

V. Submission of applications for participation in public auction

Closing date for submission of applications is 16.05.2005 at 17:00.

The application has to contain data given in the Instructions for Participants in Public Auction which are integral part of the documentation, deposit payment evidence and the number of account for returning the deposit.

Filled application which is a part of public auction documentation, with draft sales contract signed on each page and deposit payment evidence, are to be submitted in closed envelope with inscription APPLICATION FOR PARTICIPATION IN PUBLIC AUCTION 190505, The Privatization Agency, Belgrade, 23 Terazije St.

The Commission for the Sale of Assets will inform all the applicants about the approval of their applications one weekday before the public auction is held at the latest.

Before submission of applications for participation, the participant is obliged to pay deposit, or submit first-class bank guarantee, in the account and for the benefit of the Privatization Agency, for the sum of 9.072.739,00 (nine million seventy-two thousand seven hundred and thirty-nine) dinars. Deposit is to be paid in the following way:

User: the Privatization Agency of the Republic of Serbia, 23 Terazije St., Belgrade

- Number of Account: 840-871621-94
- Basis of Transfer: Purchase and sale of movable and immovable assets of MK Rudnik a.d., Plant in Belgrade

VI. Organization of public auction:

The public auction will be held on 19.05.2005 at 11:00 at Privatization Agency, Terazije 23, Belgrade, at the large Hall on the second floor.

Registration of participants in public auction will begin two hours before the start of the public auction, and will finish ten minutes before the start of the public auction, that is, from 9:00 to 10:50.

The implementation of public auction and conclusion of the Sales Contract are described in detail in the Instructions for Participants which are integral part of the documentation.

All the participants who have not been declared buyers are to be returned the deposit in the period prescribed in the Instructions for Participants, which are integral part of the documentation.

For the participant who bids the highest offer and is declared a buyer, the deposited sum is to be included in the sale price, and in case of desisting the deposit is to be retained.

In case that the participant who wins the auction refuses to sign the minute or contract, or does not make the payment within the prescribed period, the Agency will call the participant who bid the second highest offer to sign the contract, that is, it will declare him a buyer. If he does not sign the contract, that is, does not make the payment within the prescribed period, he loses the right to be returned the deposit.