

Pursuant to Decision of Commercial Court in Cacak no. 05/08 as of April 17, 2008 and the Conclusion of the Bankruptcy Judge of Commercial Court in Cacak no. 05/08 as of June 26, 2008, in accordance with Articles 109, 110, and 111 of the Law on Bankruptcy Proceedings (“Official Gazette of the RoS“ no. 84/04), and National Standard no. 5 on Manner and Procedure of Cashing the Bankruptcy Debtor’s Estate (“Official Gazette of the RoS “ no. 43/05), the bankruptcy debtor’s bankruptcy estate manager:

*Of the Socially Owned Company for Production of Carpets “INDUSTRIJA TEPIHA IVANJICA“
in bankruptcy
from Ivanjica, Bukovica bb*

**ANNOUNCES
the sale of the bankruptcy debtor’s estate
through public gathering of bids**

Subject of sale is movable and immovable property of the bankruptcy debtor according to the following sales units:

UNIT 1 – office space in Kraljevo, Jug Bogdanova Street, covering the surface of 140 m², located within the office-residential building built in cadastre parcel no. 315 CM Kraljevo. The building is registered in the list of immovables no. 6890 CM Kraljevo. The seller is an unregistered owner of the office space that is the subject of sale. The office space is offered for sale along with accompanying equipment and inventory.

Estimated value is RSD 13,525,546.00.

Deposit is RSD 2,705,109.00.

UNIT 2 – office space in Pozega, Vojvode Misica Street. no. 6-8, in the ground floor of the office-residential building located in cadastre parcel no. 156 CM Pozega. The office space that is the subject of sale includes two separate premises with two separate entrances. Facility “A“ covers the surface of 111,20 m², whereas facility “B“ covers the surface of 91,00 m², which is in total 202,20 m². The seller is an unregistered owner of the office space that is the subject of sale. The office space is offered for sale along with accompanying equipment and inventory.

Estimated value is RSD 17,328,075.16.

Deposit is RSD 3,465,615.00.

UNIT 3 - business-production plant “AKON“ in Ivanjica, Senjak, which comprises 10 facilities with total surface of 13.701,00 m², built in cadastre parcel no. 3401/1 CM Sume, together with the land covering the surface of 5.99,91 ha, and the facility for technical water intake on river Bukovica, built in cadastre parcel no. 3465/1 and 3465/2 CM Dubrava, with land that includes listed parcels. The seller is the registered owner of the facility in CM Sume (apart from one unit that is not registered) and the land being the subject of sale. The business-production plant “AKON“ is offered for sale along with accompanying equipment and inventory.

Estimated value is RSD 197,696,624.00.

Deposit is RSD 39,539,325.00.

UNIT 4 – plant in Kusici, including the production-business space, land, equipment and inventory. The production-business space covers the gross surface of 2.502 m², and consists of production hall, hall annex with a basement, administrative building with a basement, compressor station and doorman’s lodge. The plant is entered into the list of immovables no. 284 C.M. Kusici, as building no. 1, on c.p. no. 204, with surface under building of 0.19.24 ha, marked as „*Textile Industry Building–PRODUCTION HALL*“. It is indicated that the facility has the usage approval. DP “Industrija Tepiha Ivanjica” is entered as the rightful claimant of the facility, form of ownership – social ownership, with share 1/1. The land includes cadastre parcels no. 204 and no. 206/10, all in C.M. Kusici. All indicated parcels have been entered into the list of immovables no. 284 CM Kusici, as the ownership of the seller.

Estimated value is RSD 40,816,635.00.

Deposit is 8,163,327.00.

UNIT 5 – building for business services in Zajecar, Ljube Nesica Street. The building is entered into the list of immovables no. 6621 CM Zajecar, as building no. 1, with registered surface under the facility of 0.02.98 ha, as a socially owned property DP “Industrija Tepiha Ivanjica”, with share 1/1. The building’s actual surface is 437,67 m². It is built in cadastre parcel no. 11069/20 CM Zajecar, on the surface of 0.02.98 ha, determined as the urban construction land, owned by the Republic of Serbia. The office space is offered for sale along with accompanying equipment and inventory.

Estimated value is RSD 20,926,540.50.

Deposit is RSD 4,185,308.50.

UNIT 6 – prefabricated building in Knjazevac, Spasoja Milikica Street 4/A. The seller is entered into the list of immovables no. 15584 CM Knjazevac as the facility holder – building no. 1, marked as “*trade building –prefabricated facility*“, with surface under the building of 152 m². The facility has a temporary building license which has expired. It is located in c.p.no. 81/4 CM Knjazevac, determined as urban construction land, registered as the ownership of the Republic of Serbia. The facility is offered for sale along with accompanying equipment and inventory.

Estimated value is RSD 4,439,410.32.

Deposit is RSD 887,882.00.

UNIT 7 – part of the prefabricated retail building (carpet store and a supermarket), with total surface of 156,37 m², located in Krusevac, Vjjetnamska Street b.b, built in cadastre parcel no. 5300/59 CM Krusevac. The facility is entered into the ownership list no. 6403 CM Krusevac and it has both building and usage license. The facility is offered for sale along with accompanying equipment and inventory.

Estimated value is RSD 6,120,826.32.

Deposit is RSD 1,224,165.26.

UNIT 8 – office space in Kusici, with total surface of 24,57 m² and part of the boiler house with surface of 20,40 m², within hotel “Javor“ (former “Stari Vlah“) in social ownership and possession of PDP “Javor“ in Kusici. The office space is the unregistered property of the seller.

Estimated value is RSD 2,130,903.00.

Deposit is RSD 426,180.60.

UNIT 9 – business and production plants of ITISON and Klasik on Bukovica. This sales unit includes 19 facilities in total, 16 facilities of which have been registered in the list of immovables no. 623 CM Dubrava, as a social ownership of DP “Industrija Tepiha Ivanjica“, with share 1/1, whereas the remaining 3 facilities have not been registered. The facilities include equipment for production of classic carpets and fitting carpets that is offered for sale together with the facilities in question. Apart from the facilities and equipment, this unit also comprises the land on c.p.no. 157 CM Dubrava, with total surface of 4.34.16 ha, determined as construction land outside the construction area. The land is entered into the list of immovables no. 623 CM Dubrava, as a socially owned property DP “Industrija Tepiha Ivanjica“, with share 1/1.

Estimated value is RSD 272,271,904.00.

Deposit is 54,454,381.00.

The estimated value is not to be deemed as minimally acceptable value nor should it be in any way considered as binding or decisive for a bidder in the process of determining the price of the bid.

The bids are to be submitted to the Privatization Agency – Bankruptcy Center, Belgrade, Terazije Street no. 23, 3rd floor, offices nos. 321 and 322. **The latest time** for delivery of bids is **September 15, 2010, 13 hours**, until which hour the bankruptcy estate manager must receive the bids.

The bids may be submitted by all legal and natural persons that:

1. upon receiving the provisional invoice, make payment for purchasing the sales documentation in the amount of **RSD 20,000.00 per one sales unit** (provisional invoice may be taken each business day until **September 8, 2010** between 08 - 15 hours in the premises of Privatization Agency’s trustees, in Brace Glisica Street no. 8, in Cacak, with previously arranged appointment on the phone 063/71-99-679).
2. pay the **deposit for particular sales unit** to the Seller’s account no. 290-0000000013620-23 opened at “Universal Banka“ AD, or to deposit the irrevocable first class bank guarantee payable on first demand, at the latest within **5 business days** prior to the date of sale (deadline for deposit payment is **September 8, 2010**). If the deposit is in the form of the first class bank guarantee, its original shall for the inspection purposes exclusively be delivered **in person/directly** to Financial Department of the Privatization Agency, Terazije 23, 6th floor, office no. 610, in Belgrade, at the latest until **September 8, 2010, until 16:30 hours** Belgrade time (GMT + 1). Bank guarantee must be valid until **October 15, 2010**. The Privatization Agency’s trustee shall be delivered the following, at the latest 4 business days prior to the date of sale (delivery deadline is **September 9, 2010**): a copy of application for participation in public gathering of bids signed in person or by an authorized individual that shall provide evidence on its authorization, a copy of bank guarantee or a photocopy of the evidence on deposit payment, signed statement on loss of right to deposit return and a copy of the power of attorney certified at court for representation in public opening of written bids, in case such public opening is attended by an authorized representative. If the participant who delivers the application is a legal person, the trustee shall be submitted the excerpt from BRA registration or such other register and an OP form (for signature authentication), in case of a natural person an ID photocopy is to be submitted, whereas in case of a consortium an original agreement on consortium must be delivered along with a photocopy of authorization on consortium representation. If in public gathering of bids the successful bidder is a buyer who secured its deposit with respective bank guarantee, such buyer is obliged to settle the deposit amount within **48 hours** from the date of being declared as the most successful bidder, and prior to signing of the Sale and Purchase Agreement, after which its guarantee shall be returned to him;
3. sign the **Statement on Loss of Right to Deposit Return** on taking over the sales documentation, which statement forms an integral part of the sales documentation.

All interested persons may take over the document with **detailed terms and conditions of the sale procedure** at the bankruptcy's manager trustee's address – in Brace Glisica Street no. 8, in Cacak, every business day between 08 - 14 hours, at the latest until **September 8, 2010**.

Only the bids in closed envelopes shall be accepted, clearly marked as *«The Bid-DO NOT OPEN – the sale of the bankruptcy debtor's estate of the Socially Owned Company for Production of Carpets "Industrija Tepiha Ivanjica "in bankruptcy, from Ivanjica, Unit no. __»*.

The bids that fail to arrive in timely manner i.e., within prescribed deadline to the indicated address, that do not contain the clearly defined amount or which refer to some other bid or conditions not included in the announcement or the sales documentation, shall be deemed invalid and as such shall not be taken into consideration.

A closed envelope with the bid should include the following:

- application for participation in public gathering of bids personally signed or signed by an authorized representative along with the evidence on such authorization;
- unconditional bid, with clearly indicated amount to which the bid is stated;
- evidence on deposit payment or the copy of the guarantee;
- signed statement on loss of right to deposit return;
- photocopy of the power of attorney duly certified at court for representation at public opening of bids, if the opening is attended by an authorized representative;
- for legal persons – excerpt from BRA registration or such other register and an OP form, for natural persons
 - a photocopy of an ID, and for the consortium – a photocopy of the Agreement on Consortium.

The public opening of bids shall be held on **September 15, 2010 at 13.15 hours** (15 minutes upon expiry of deadline for bid submission) at the following address: **Privatization Agency – Bankruptcy Center, Belgrade, Terazije Street no. 23, 3rd floor**, in the presence of the Commission formed in accordance with the decision of the bankruptcy estate manager as well as in the presence of the representatives of all the bidders.

If the opening of bids is attended by the bidder itself, it needs to possess and provide for inspection the evidence on its identity (valid ID or the passport). If the bidder is represented by its authorized representative, it needs to provide the original of the power of attorney (certified at court) for the purpose of representation at public opening of written bids.

The Creditors' Committee members are invited to attend the opening of bids.

The bankruptcy estate manager opens the bids the procedure of which implies:

1. reading of rules for opening of bids,
2. opening of bids,
3. entering into the bid register the amount determined in each bid, the estate the bid refers to, as well as the confirmation on paid deposit
4. maintaining order in public opening of bids,
5. signing of minutes.

In compliance with the National Standard no.5, if the bid with the highest offered price amounts less than 50% of the estimated value, the bankruptcy estate manager is obliged to ask the approval from the Creditors' Committee prior to acceptance of such bid.

The bankruptcy estate manager shall notify all participants that submitted their bids on declaration of the most successful bidder, within the deadline stipulated in National Standard no. 5. The Sale and Purchase Agreement shall be signed **within 3 business days** from the date of declaring the most successful bidder, provided that the deposit secured by the guarantee is paid to the account indicated in the announcement. The declared Buyer is obliged to pay the remaining amount of the purchase price

within **8 days** from the date of signing the Agreement. Only after the payment of the purchase price and obtaining the confirmation by the bankruptcy debtor on performed entire payment, shall the same acquire its right to ownership over the subject of sale.

Each person that has gained its right to participate in accordance with terms and conditions prescribed by this announcement shall lose its right to deposit pursuant to the Statement on Loss of Right to Deposit Return. If the declared Buyer fails to sign the minutes, Sale and Purchase Agreement or fails to pay the purchase price in prescribed manner and within determined deadlines as in all other cases stipulated by the Statement on Loss of Right to Deposit Return, it shall lose its right to deposit return.

The bankruptcy estate manger shall without any delay return the paid deposit/bank guarantee to each bidder whose bid is rejected, within **5 business days** from the date of declaring the most successful bidder.

The property is to be bought “as is” and may be visited after purchasing the sales documentation, at the latest up to 7 days prior to the scheduled sales date, on each working day between 9:00 - 13:00 hours, which visit has to be previously arranged with respective trustee on the following phone number: 063/71-99-679.

Taxes and costs of realization of the Sale and Purchase Agreement shall be added to the agreed purchase price and shall be borne by the buyer.

Note: The submission of the original bank guarantee is not allowed to be performed by ordinary or registered mail/ shipment/parcel, through fax, e-mail or any other way and manner other than the one prescribed in item 2 of conditions for acquiring the right to participate, from this announcement.

Contact person – authorized representative: trustee Danilo Skiljevic, phone number: 063/71-99-679.