

Based on the Decision of the Commercial Court in Sremska Mitrovica St. no. 12/07 dated 27.09.2007, Decision of the Creditors' Committee dated 09.04.2008 and 20. 03. 2009, as well as the Decision of the Government of the Republic of Serbia no. 023-1667/2008-1 dated 24.04.2008, and in accordance with the Articles 109. 110. 111. 112 and 113 of the Law on Bankruptcy Proceedings (Official Gazette of the RoS no. 84/04) and National Standard no. 5 on the manner and procedure of converting bankruptcy estate into cash (Official Gazette of the RoS no. 43/05), Bankruptcy Administrator of the Bankruptcy Debtor:

**JP „MILAN STEPANOVIĆ – MATROZ“ AD – in bankruptcy
from Sremska Mitrovica, Jarački put bb Street**

ANNOUNCES

Sale of a Bankruptcy Debtor as a

LEGAL ENTITY

by direct agreement with solicitation of bids in writing

The subject of sale is a legal entity

**JP „MILAN STEPANOVIĆ – MATROZ“ AD in bankruptcy, Sremska Mitrovica
(ID number 08013853), with the following property:**

- 1. production plants for production of cellulose and paper – construction facilities in the industrial zone with related equipment (production range: bleached leaf cellulose, medium smooth offset paper – newsprint paper, woodless paper, printing press) and**
- 2. foundation rights in «MATROZ KOROHUMUS» DOO from SREMSKA MITROVICA, Jarački put bb (ID number 08583544)**

Estimated value amounts to RSD 1.636.500.000,00.

The deposit for participation in the sale procedure by direct agreement with solicitation of bids in writing amounts to RSD 10.000.000,00.

The estimated value is neither minimally acceptable value, nor it is in any way binding on the bidder when determining the amount of the bid.

The sale shall be carried out by direct agreement with solicitation of bids in writing in the following way: all interested persons shall submit their bids in writing in a sealed envelope with the following note: **„THE BID IN WRITING FOR PURCHASE OF JP „MILAN STEPANOVIĆ – MATROZ“ AD – in bankruptcy from Sremska Mitrovica – DO NOT OPEN, addressed to the Bankruptcy Administrator:**

- by registered mail not later than 18.05.2009 to the following address: the Privatization Agency – Bankruptcy Unit, 23 Terazije Street, third floor, office no. 305, Belgrade, attn: Mrs. Snežana Bujas, or**
- in person/directly not later than 25.05.2009 at 11 am to the following address: the Privatization Agency – Bankruptcy Unit, 23 Terazije Street, third floor, office no. 305, Belgrade, attn: Mrs. Snežana Bujas.**

All legal entities and individuals have the right to participate if they:

1. upon the receipt of pro-forma invoice, make the payment for purchasing the sale documents to the amount of **RSD 250.000,00** (the pro-forma invoice can be collected every business day from 8:00 to 13:00 at the premises of the Bankruptcy Debtor, Jarački put bb Street, Sremska Mitrovica);
2. pay the **deposit** to the amount of **RSD 10.000.000,00** to the current account of the Bankruptcy Debtor no: 205-121304-23 **opened with “Komercijalna banka ad Beograd”** or submit an irrevocable first-class bank guarantee payable at first call no later than **5 business days** prior to the sale (the deadline for payment of the deposit is **18.05.2009**). In case the first-class bank guarantee is submitted as the deposit, its original has to be delivered for the inspection purposes **personally/directly** to the Finance Department of the Privatization Agency, 23 Terazije Street, VI floor, office 610, Belgrade, not later than 18.05.2009 at 16:30 Belgrade time (GMT+1). A copy of the Bank Guarantee or certified copy of deposit payment shall be submitted, along with the Application Form (without appendices) and Statement, to the Trustee of the Privatization Agency until 18.05.2009. The bank guarantee has to be valid until **25.06.2009**. In case the participant submitting the application is a legal entity, an excerpt from the registration and OP Form shall be submitted to the trustee as well. In case the bidder who has provided the deposit in the form of a bank guarantee wins at the sale by direct agreement with solicitation of written bids, it must pay the deposit within **48 hours** after the day on which it is declared the most successful bidder, and prior to signing of the sale and purchase agreement, after which the bank guarantee shall be returned to the bidder;
3. sign the Declaration of Waiver of the deposit necessary for participation in sale and purchase of the bankruptcy debtor until 18. 05. 2009.

Subject of sale can be visited upon purchase of the sale documentation on weekdays from the announcement day until **18.05.2009**, in the period from 08.00 -15.00, with obligatory previous telephone call on +381 22 641-042. Legal entity is offered for sale «as seen” without guarantees of the bankruptcy administrator in respect of possible flaws on the subject of sale.

Bids in sealed envelopes only shall be accepted.

A sealed envelope with the bid should contain the following:

- Application for participation in the direct agreement with solicitation of bids in writing signed personally or by an authorized person and evidence that she/he is the authorized person;
- unconditional bid, with a clearly stated amount of the bid;
- evidence of deposit payment or a copy of the guarantee;
- signed Deposit Waiver Declaration;
- photocopy of Power of Attorney certified by the Court in charge of representation at the public opening of the bids in writing, along with explicit stating of the authorization in respect of subsequent direct negotiations and new bidding of offers, if the opening is attended by an authorized representative.

Incomplete and irregular bids and the bids that contain a condition shall not be taken into consideration.

Public opening of bids will be held on **25.05.2009, at 13.00**, at the address: **Privatization Agency – Bankruptcy Unit, Belgrade, Terazije Street 23, third floor, hall “SIMPO”**, in the presence of the Committee formed according to the decision of the Bankruptcy Administrator and in the presence of

representatives of all the bidders. If the public opening is attended by the bidder in person, the bidder should possess and give for inspection a proof of its identity (valid identity card or passport). In case the bidder is represented by an authorized person, that person is required to submit an original of the Power of Attorney (certified before the court) for representation at the public opening of the bids in writing.

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

The Bankruptcy Administrator shall, after the public opening of bids, propose as a Buyer to the Creditors' Committee a bidder which submitted the most favorable bid in writing or in subsequent direct negotiations, in particular in respect of the amount of price, whereupon the same bidder shall be invited to sign the Agreement on earnest money, provided that the deposit for participation in the sale procedure, which is secured by the guarantee, has been paid into the account of the Bankruptcy Debtor, and afterwards the Sale and purchase Agreement as well. The amount stated in Item 2 of the Advertisement shall be calculated into the sale price to the best bidder, which shall be obliged to pay only the margin up to the full amount of the sale price.

The Sale and Purchase Agreement shall be signed within **3 weekdays** from the date of signing of the Agreement on earnest money. The declared buyer is obliged to pay the remaining part of the sale price within **30 days** upon signing of the Agreement. Only after the Buyer pays the sale price and receives the confirmation from the Bankruptcy Debtor that the payment has been made in full, does the Buyer acquire the right of implementation of changes in the Register of business entities, as well as in other relevant institutions.

If the declared Buyer does not sign the minutes, Agreement on earnest money and Sale and Purchase Agreement or does not pay the sale price within the stipulated deadlines and in a stipulated way, it shall lose its right for the deposit to be refunded.

All participants lose the right for the deposit to be refunded in accordance with the Deposit Waiver Declaration.

The deposit or bank guarantee shall be returned to the bidders not having been declared the best bidder on 25. 06. 2009.

Bankruptcy Administrator is not obliged to accept any of the submitted bids.

The final decision on selection of the best bidder through the direct agreement shall be made solely by the Creditors' Committee, if the bid is lower than 50% of the estimated value of the property.

Taxes and expenses shall be borne by the declared buyer.

Note: it is not allowed to submit an original of the bank guarantee by mail (regular or registered), fax and e-mail, or in any similar way, but only in the manner specified in the Item 2 of the conditions for gaining participation rights from this Announcement.

Contact person – authorized person: trustee Predrag Stojković, phone number: +381 22 641-042; or +381 22 641-111; mobile phone: +381 65 683-88-88.