

Based on the Decree of the Assembly of Socially Owned Company Agricultural Combine "Delišes" In Restructuring Vladičin Han on ratification of the New Amended Program of Restructuring No. 330 dated 13 November 2008 and Decision in Adoption of Amendments and Supplements to the Program of Restructuring No. 128 dated 24 April 2009, Decision No. 129 dated 24 April 2009 on the sale of part of immovable and movable property of Factory for Juices in Lepenica and immovable and movable property at other locations forming part of DP PK "Delišes" In Restructuring Vladičin Han, Svetosavska 78, by the means of public bidding, the Decision of the Privatization Agency of the Republic of Serbia on acceptance of New Amended Program of Restructuring No. 10-3315/08-56/02 dated 17 November 2008, and the Decision of the Privatization Agency of the Republic of Serbia on acceptance of Amendments and Supplements of the Program of Restructuring No. 10-1912/09-56/02 dated 24 April 2009, the Contract of Authorization No. 1-2304/08-56/02 dated 04 December 2008, as well as Annex 1 to the Contract of Authorization No. 1-287/09-56/02 dated 10 February 2009, and Annex 2 to the Contract of Authorization No. 1-737/09-56/02 dated 5 May 2009 concluded between DP PK "Delišes" In Restructuring Vladičin Han as the Instructing Party and the Privatization Agency as the Authorized Party, Privatization Agency is issuing the following:

**PUBLIC INVITATION FOR PARTICIPATION IN PUBLIC BIDDING
FOR PURCHASING THE PROPERTY OF ORGANIZATIONAL ENTITY
FACTORY FOR JUICES IN LEPENICA AND IMMOVABLE AND MOVABLE PROPERTY AT
OTHER LOCATIONS FORMING PART OF DP PK "DELIŠES" IN RESTRUCTURING
VLADIČIN HAN**

**Sale Code:
R-220909-3340P**

1. Subject of Sale

Subject of Sale are immovable and movable property of organizational entity Factory for Juices in Lepenica and immovable and movable property at other locations forming part of DP PK "Delišes" In Restructuring Vladičin Han (hereunder: Company or Seller):

1) Buildings:

- 12 socially owned facilities: Hall 1 – Juice Plant, Warehouse – Storehouse, Passage Accompanying Storehouse – Overhang, Pump System – Chemical Preparation of Water and Tank, Garage and Workshop, Administration Building, Boiler Plant, Oil Warehouse, Restaurant and Locker Room with Platform – Workers' Mess Hall, Auxiliary Building for Water Purification – Waste Water Station, Auxiliary Building Bazen, Transformer Station and Auxiliary Building Bazen – Wells and Waterworks, with a total area of 10,714 m², located on cadastre plot 1033/1 of a total area of 40,409 m², Immovables Document 804, Cadastral Municipality Lepenica, with ownership right of socially owned land;
- 2 socially owned facilities – Porter's Booth with Vehicle Balance and Overhang for CO₂ with a total area of 167 m², built on cadastre plot 1095/1 of a total area of 6,151 m², Immovables Document 804, Cadastral Municipality Lepenica, with ownership right of socially owned land;
- Auxiliary Building – Coal Warehouse with an area of 960 m², built on cadastre plot 1033/3 of a total area of 977 m², Immovables Document 911, Cadastral Municipality Lepenica, with ownership right of socially owned land with a share of 885/977;
- Administration Building with an area of 164 m² and Floor Warehouse with an area of 300 m², socially owned, built on cadastre plot 518 of a total area of 4,986 m², Immovables Document 190, Cadastral Municipality Kalabovce with ownership right of socially owned land;
- Hydromelioration System – Masuračko Polje in Surdulica of 350 m and Hydromelioration System Oraovica in Preševo of 280 m;
- Business and Sales Center Spuž in Montenegro with a total area of 106 m², built on cadastre plot 1857/1, of an area of 481 m², Immovables Document 520, Cadastral Municipality Spuž, Montenegro; and

- Business and Sales Center Niš, with a total area of 424,26 m², built on cadastre plot 6202/2 with a total area of 1,795 m², Ownership Deed 744, Cadastral Municipality Niš – Crveni krst, with right of use of state owned land.
- 2) **Socially owned land** on cadastre plots 1030/8, 1095/2 and 1095/6, Immovables Document 804, Cadastral Municipality Lepenica with a total area of 5,741, of which the Seller is the registered owner.
 - 3) **Multiyear plantations** in existence on building land outside the city area, socially owned, on part of cadastre plot 1095/1 with a total area of 6,151. m², Immovables Document 804, Cadastral Municipality Lepenica, owned by the Seller;
 - 4) **Multiyear plantations** in existence on state owned agricultural land on cadastre plot 1033/2 with an area of 36,463 m², Immovables Document 1012, Cadastral Municipality Lepenica, of which the Seller is the user according to Books.
 - 5) **Equipment** for performing activities, according to the Specification contained in the List of Movable Property in the Sale Documentation.

Immovable and movable property which is the subject of sale is presented in the List of Property which forms an integral part of the documentation for public bidding (Sale Documents).

The property is sold on "as is" basis, without possibility for subsequent shortage claims.

2. Documents for Public Bidding

The Sale Documents Fee is **3,000.00 EUR** (three thousand euros) if the Participant is a foreign individual or legal entity, i.e. **3,000.00 EUR** (three thousand euros) in dinar (RSD) counter value according to the median official exchange rate of the National Bank of Serbia as at the date of the invoice, if the Participant is a domestic legal entity or individual.

Buying of Sale Documents is obligatory, and during pick up, a Confidentiality Agreement shall be signed.

The Agency hereby invites all interested parties to submit a written request to purchase Sale Documents relating to the Subject of Sale no later than **15 September 2009**.

Sale Documents will be available starting on **24 August 2009**.

The written request for purchasing Sale Documents shall be delivered by e-mail or fax at the address below, clearly marked:

"Request for Purchasing the Sale Documents – Sale Code **P- 220909-3340P**".

Upon introducing evidence of payment, Sale Documents can be obtained at the following address: Privatization Agency, Center for Auctions and Compulsory Liquidation, Terazije 23 (5th floor), 11000 Belgrade from 9:00 AM until 4:30 PM from **24 August 2009** to **15 September 2009**.

3. Opening Price & Sale Conditions

The Opening Price for the Subject of Sale on Public Bidding is set in the amount of **968,000 EUR** (letters: nine hundred sixty eight thousand euros).

The deposit for participation in the Public Bidding is **97,000 EUR** (letters: ninety seven thousand euros).

The Decree on the Procedure and Manner of Restructuring of Entities Undergoing Privatization ("Official Gazette RoS" Nos. 52/05 and 96/08), envisages the possibility that the Buyer of property of Entities Undergoing Privatization can pay the amount of the Sale Price in no more than six annual installments. The first installment shall amount to no less than 30% of the Sale Price and shall be paid within the deadline set in the Sale and Purchase Agreement, with the

remaining amount of the Sale Price divided into five equal annual installments increased for the amount of interest calculated as EURIBOR + 2%. Installments shall be calculated in euros. If the Buyer is a domestic legal entity or individual, the annual installment shall be paid in dinar contra value according to the median exchange rate of the National Bank of Serbia as on installment due date.

Obligations of the Buyer of the Subject of Sale are established by the Sale and Purchase Agreement, which forms an integral part of the Sale Documents. Participants shall be offered two options of the Sale and Purchase Agreement, with payment of the Sale Price at once, and in installments, as an integral part of Sale Documents.

By concluding the Sale and Purchase Agreement, the Buyer undertakes to employ full-time the employees employed by the Seller at the time of this sale process of the Subject of Sale, according to the list provided as integral part of the Sale Documents.

The Buyer Undertakes to maintain continuity of production of the Factory for Juice in Lepenica during the period and in the manner envisaged by the Sale and Purchase Agreement.

By submitting an application for participation in public bidding, a Participant agrees to fully accept all terms specified in the Instructions for Participants and the Sale and Purchase Agreement (option selected by participant), which form an integral part of the Sale Documents.

4. Eligibility to Participate in Public Bidding and Obligations of Participants

Participation at the public bidding is open to any domestic or foreign legal entity or individual that has:

- a) Purchased the Sale Documents,
- b) Paid the Deposit or submitted the Bid Bond for participating in the public bidding and
- c) Submitted the application for participating in the public bidding;

The right to participate in the public bidding also has a Consortium which consists of legal entities and/or individuals ("Consortium") that fulfils the above stated conditions. One of the Consortium members, i.e. the person authorized by the Consortium, must be appointed as Consortium representative ("Authorized Representative of the Consortium"), and to act in the name and for the account of the Consortium.

The Buyer of the immovable and movable property cannot be: 1) a domestic legal entity which operates with majority socially-owned capital; 2) a legal entity and individual that has due, but unsettled liabilities toward the Seller, 3) subsidiaries of the Seller, and 4) a person who was convicted or against whom proceedings have been brought for criminal offences defined by Article 12 of the Law on Privatization ("Official Gazette RoS" No. 123/2007). Such applications shall be rejected without consideration.

The right to participate in the sale process has any individual or legal entity with limitations given in Instruction for Participants, that buys Sale Documents, submits the application for participating in the public bidding and pays the Deposit in the amount of: **97,000.00** EUR (letters: ninety seven thousand euros) or submits a First Class Bank Guarantee of the same amount according to Instructions for Participants.

In case that the means for paying the Deposit is a submitted Bank Guarantee, it must be chargeable in 48 hours from proclamation of the Buyer at the Public Bidding.

Participant in procedure is obliged to pay the Deposit in the amount that is given in Article 4 or to submit a Bid Bond for participating in the public bidding of the same amount, not later than **18 September 2009**.

5. Other Special Conditions:

Exceptionally, if the interested Participant is a foreign individual or legal entity that fulfills all conditions from Article 4 of the Public Invitation, but can not be the Buyer of the Subject of Sale, in accordance with Article 1 of the pending Law on Agricultural Land, the Buyer can be its domestic subordinated company, provided that such a subordinated company has a seat in the

Republic of Serbia and operates with capital 100% owned by the foreign individual or legal entity fulfilling conditions from Article 4 of this Public Invitation, and provided that the same foreign individual or legal entity shall be the guarantor for fulfillment of Buyer's obligations from the Contract of Purchase and Sale of the Subject of Sale.

This term from Article 5 shall also be applied to a Consortium, whose member/members are a foreign legal entity or individual.

6. Due Diligence Procedure

Upon signing the Confidentiality agreement and buying of the Sale Documents, i.e. in period from **24 August 2009** to **15 September 2009**, the Participant may review the property representing the Subject of Sale, hold meetings with persons responsible and inspect data relevant to the property.

7. Application for Participating in the Public Bidding

The deadline for submitting application for participating in the public bidding is **18 September 2009** at 4:30 PM Belgrade time. Applications are submitted to the Privatization Agency in closed envelope clearly marked:

APPLICATION FOR PARTICIPATING IN THE PUBLIC BIDDING **R-220909-3340P**
PRIVATIZATION AGENCY
CENTER FOR AUCTIONS AND COMPULSORY LIQUIDATION
TERAZIJE 23, 5th FLOOR, 11000 BELGRADE

If the name of the Subject of Sale or full Sale Code is found on the envelope, the application will be rejected. The application for participating in the public bidding is filled on the special form, that is part of Sale Documents and that must contain data given in the Instruction to Participants, evidence of payment of the Deposit and number of the account for the return of the Deposit. Incomplete and untimely applications will not be considered. The Purchase Commission will inform all applicants at least two working days before the public bidding if their applications are approved.

8. Public Bidding

The public bidding will be held on **22 September 2009**, at 2 PM Belgrade time at the premises of the Privatization Agency, Terazije 23, Belgrade, in the Large Hall on the 2nd floor. Registration of Participants in Public Bidding will be at the same address on **22 September 2009** from 1 PM to 1.50 PM.

Terms for conducting the public bidding and signing the Sale and Purchase Agreement are explained in detail in the Instruction for Participants.

Deposit will be returned to all Participants that are not proclaimed as Buyers within the time period specified in the Instruction for Participants.

For the Participant that first gives the highest bid and is proclaimed the Buyer, the deposited amount will be included in the Purchase Price, while the proclaimed buyer must pay the difference between the deposited amount and Purchase Price to the Privatization Agency account according to the terms of the Sale and Purchase Agreement. In case of desisting from signing of the Sale and Purchase Agreement, the Deposit will be withheld.

All questions pertaining to this Public Invitation may be addressed to persons listed hereunder, in the Serbian or the English language.

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