



Pursuant to the Restructuring Program of the JSC "Holding Industrija kablova Jagodina" under restructuring, and LLC for production and distribution of thermal energy "Toplana FKS" under restructuring, adopted on December 22, 2008 by the Decision of the General Assembly of JSC "Holding Industrija kablova Jagodina" under restructuring and Decision of the Management Board of LLC for production and distribution of thermal energy "Toplana FKS" under restructuring, accepted by the Privatization Agency in Resolution No. 10-4421/08-140/02 on December 26, 2008, as well as the Amendments No. 1 to the Restructuring Program dated March 26, 2009, adopted by the Decision of the General Assembly of JSC "Holding Industrija kablova Jagodina" under restructuring, and Decision of the Management Board of LLC for production and distribution of thermal energy "Toplana FKS" under restructuring, and accepted by the Privatization Agency on April 3, 2009 by the Resolution No. 10-1120/09-140/02, and the Proxy Agreement no.1-2404/08-140/02 signed on December 26, 2008 between JSC "Holding Industrija kablova Jagodina" under restructuring, as Orderer, and Privatization Agency as Proxy, Privatization Agency is issuing the following:

**PUBLIC INVITATION
FOR PARTICIPATION IN THE PUBLIC BIDDING FOR ACQUISITION OF
IMMOVABLE PROPERTY AND EQUIPMENT OF JSC "HOLDING INDUSTRIJA KABLOVA
JAGODINA" IN RESTRUCTURING, COMRISED OF
FACTORY "FKS PROVODNICI REKOVAC"
Sale Code: R-290509-3289P**

1. Subject of Sale

Subject of Sale is asset unit "Rekovac", comprised of immovable property and accompanying equipment of the JSC "Holding Industrija kablova Jagodina" under restructuring, Jagodina (hereinafter: Seller), as follows:

Factory "FKS provodnici Rekovac", with a total land area of 9ha 82a 72m², buildings with total area of 14,799 m², as well as accompanying equipment, tools spare parts and small inventories.

Immovable properties being the Subject of Sale are comprised of:

1. All immovable properties (land and buildings) registered in immovable property list 436 Cadastre Municipality Rekovac, issued on 25.12.2008., except Cadastre Lot 2593/1 and 2593/2, and the buildings located thereon, as well as the building on the Cadastre Lot 3865/2
2. Pump station building located on Cadastre Lot 3865/2, and fecal station building located on Cadastre Lot 3880/7, which are not registered in immovable property list no. 436 Cadastre Municipality Rekovac issued on 25.12.2008.

Detailed specification of the land, buildings and accompanying equipment is integral part of the Sale Documents.

Assets of the Company are being sold on "as is" basis, without possibility for subsequent shortage claims.

2. Opening Price & Sale Conditions

Opening price at the public bidding is set at **EUR 1,530,000** (one million five hundred thirty thousand euros).

Deposit for participating in the public bidding is **EUR 153,000** (one hundred fifty three thousand euros).

Total amount of the sale price can be paid in maximum six annual installments, in accordance with Decree on amendments to the Decree on procedure and method of restructuring entities undergoing privatization (RS Official Gazette no. 96/08).



Obligations of the buyer of the Subject of Sale are established by the Sale and Purchase Agreement, which is an integral part of the Sale Documents. Participants will be offered two versions of the Sale and Purchase Agreement - with payment options in full or in installments.

By signing the Sale and Purchase Agreement, the Buyer is committed to keep as full-time employees the workers that are full-time employed at the asset unit being the subject of sale at the moment of sale, according to the list provided in the Tender Documents. Furthermore, the Buyer is obliged to invest minimum EUR 1,000,000 (one million euros) in modernization of the production process (within a period of 3 years after the signing of the Sale and Purchase Agreement for the respective asset unit).

By submitting an application for participation in public bidding, a Participant agrees to the terms specified in the Instructions for Participants and the Sale and Purchase Agreement selected by participant, which are deemed integral part of the Sale Documents.

Parties interested for the acquisition have to purchase the Sale Documents, pay a Deposit or submit a Bid Bond in the same amount, in line with the Instructions to Participants, and submit the Application for participation in public bidding.

3. Sale Documents

Sale Documents Fee is EUR 1,000.00 (one thousand euros) if the Participant is a foreign legal entity or individual, i.e. EUR 1.000,00 (one thousand euros) payable in RSD 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.

Purchasing of the Sale Documents is obligatory, and the Confidentiality Agreement is signed upon takeover.

The Agency is hereby inviting all interested parties to file a written request for purchasing the Sale Documents, not later than **May 20, 2009**.

Sale Documents will be made available from April 27, 2009.

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

«Request for purchasing the Sale Documents – Sale Code **R-290509-3289P**».

Upon receiving the request, an invoice for payment of the Sale Documents Fee shall be forwarded to the authorized representative of the interested party by e-mail or facsimile.

Upon receipt of the evidence of payment of the Sale Documents Fee, the Agency shall hand the Sale Documents directly to the Participant or its authorized representative. Sale documents can be obtained at the following address: Privatization Agency, Center for Auctions and Compulsory Liquidation, Terazije 23 (5th Floor), 11000 Belgrade, from 10.00 to 16.30 hours, in the period April 27 – May 21, 2009.

The Agency shall not be held liable for any loss or delay that may occur in the delivery of any document

4. Subject of Sale Visits

After signing the Confidentiality Agreement and purchasing Sale Documents, Participants may visit the subject of sale in the period from **April 27, 2009 to May 21, 2009**.



5. Deposit or Bid Bond

Participant is obliged to pay a Deposit in the amount stated in Clause 2, or to submit a Bid Bond for the same amount, not later than **May 21, 2009**.

6. Eligibility

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 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, has to be appointed as Consortium representative ("Authorized representative of the Consortium") and to act in the name and for the account of the Consortium.

Buyer of the real estate 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 ("RS Official Gazette" no. 123/07). Such applications shall be rejected without consideration.

In case the Bid Bond is submitted for payment of the Deposit, it must be payable within 48 hours after proclamation of the buyer at the public bidding.

7. Application for Participating in the Public Bidding

Deadline for submitting application for participating in the public bidding is May 21, 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-290509**
PRIVATIZATION AGENCY
CENTER FOR AUCTIONS AND COMPULSORY LIQUIDATION
TERAZIJE 23, V FLOOR, 11000 BELGRADE»

If the envelope should bare the name of the sale subject or the full sale code, the application will be rejected. Application for participating in the public bidding is filled on a special form, which is a part of the Sale Documents, and must contain data requested in the Instructions to Participants, evidence of payment of the deposit and account number for the return of the deposit. Incomplete and late applications will not be taken into consideration. Sale Process Commission will inform all applicants at least two business days prior to the public bidding whether their applications were approved.

8. Public Bidding

Public bidding will be held on May 29, 2009, at 15.00 hours Belgrade time, at the following address: Privatization Agency, Belgrade, Terazije 23, 2nd Floor Grand Hall. Registration of public bidding participants will be held at the same address, in Small Hall, on May 29, 2009, from 13.00 to 13:50 hours.



Terms of conducting the public bidding and signing the Sale and Purchase Agreement are explained in detail in the Instructions to Participants.

Deposit will be returned to all participants that are not proclaimed as buyers within the time specified in the Instructions to Participants.

For the participant which is the first to give the highest bid and is proclaimed the buyer, deposited amount will be included in the purchase price, and the proclaimed buyer must pay the difference between the deposited amount and the purchase price to the account of the Privatization Agency in accordance with the provisions of the Sale and Purchase Agreement. In case of desisting from signing the Sale and Purchase Agreement, deposit will be retained, i.e. Bid Bond will be cashed.

All inquiries relating to this Public Invitation should be directed to the contact persons at the address below, in Serbian or English:

<p>Privatization Agency Terazije 23 11000 Belgrade Republic of Serbia</p> <p>Milica Petrovic, Project Manager Public Tender Center Tel: +381 11 30 20 855 Fax: +381 11 30 20 816 E-mail: petrovicm@priv.rs</p>	<p>Privatization Agency Terazije 23 11000 Belgrade Republic of Serbia</p> <p>Nebojsa Milosavljevic, Associate (sale of documents) Center for Auctions and Compulsory Liquidation Auctions Sector Tel: +381 11 30 20 867 Fax: +381 11 30 29 985 E-mail: nmilos@priv.rs</p>
<p>Institut ekonomskih nauka Zmaj Jovina 12 11000 Belgrade Republic of Serbia</p> <p>Dr Ivan Stošić E-mail: ivan.stosic@ien.bg.ac.rs Tel: +381 11 361 51 13 Fax: +381 11 268 63 93</p>	<p>CONZIT d.o.o. Beograd Kralja Milana 10 11000 Belgrade Republic of Serbia</p> <p>Tomislav Milovanovic E-mail: office@conzit.co.yu Tel: +381 11 361 51 13 Fax: +381 11 268 63 93</p>