

Based on the Decision of the General Assembly of the Joint stock company for manufacturing mineral fertilizers "Zorka – Mineralna Đubriva" - in restructuring, Šabac, on ratification of the Amendments to the Restructuring Program no. 0101/594 dated December 23, 2008, and the Decision no. 0101/595 dated December 24, 2008, on sale of part of immovable property and chattels, by the means of public bidding, as well as the Resolution of the Privatization Agency of the Republic of Serbia on accepting the Amendments to the Restructuring Program no. 10-4355/08-353-3/01 dated December 24, 2008, Privatization Agency is issuing the following:

PUBLIC INVITATION FOR PARTICIPATION IN THE PUBLIC BIDDING FOR ACQUISITION OF THE PART OF IMMOVABLE PROPERTY AND CHATTELS OF THE SALE PACKAGE I „ZORKA – MINERALNA ĐUBRIVA“ AD IN RESTRUCTURING ŠABAC

**Sale Code:
ZMDJ-200209**

1. Subject of Sale

Subject of Sale is comprised of immovable property and chattels defined as Sale Package I of the company „Zorka – Mineralna Đubriva,, a.d. in restructuring Šabac, (hereinafter: Company), as follows:

1) Buildings:

- 7 buildings – chemicals processing facilities, with a total area of 4,181 m² on Cadastre Lot 2014/24, land register no. 3823, Cadastre Municipality Šabac, with the right of use of state owned land on Cadastre Lot 2014/24 with a total area of 5,797 m²;
- 6 buildings – chemicals processing facilities, with a total area of 22,022 m² on Cadastre Lot 2014/25, land register no. 3823, Cadastre Municipality Šabac, with the right of use of state owned land on Cadastre Lot 2014/25 with a total area of 18,221 m²,
- 18 buildings – chemicals processing facilities, with a total area of 15,794 m² on Cadastre Lot 2014/26, land register no. 3823, Cadastre Municipality Šabac, with the right of use of state owned land on Cadastre Lot 2014/26 with a total area of 17,769 m²,
- 13 buildings – chemicals processing facilities, with a total area of 6,168 m² on Cadastre Lot 2014/27, land register no. 3823, Cadastre Municipality Šabac, with the right of use of state owned land on Cadastre Lot 2014/27 with a total area of 9,607 m²,
- 13 buildings – chemicals processing facilities, with a total area of 5,075 m² on Cadastre Lot 2014/28, land register no. 3823, Cadastre Municipality Šabac, with the right of use of state owned land on Cadastre Lot 2014/28 with a total area of 4,711 m²,
- 3 buildings – chemicals processing facilities, with a total area of 11,435 m² on Cadastre Lot 2014/29, land register no. 3823, Cadastre Municipality Šabac, with the right of use of state owned land on Cadastre Lot 2014/29 with a total area of 10,973 m²,
- 2 Storage basin – chemicals processing facilities, with a total area of 7,000 m² on Cadastre Lot 2014/30, land register no. 3823, Cadastre Municipality Šabac, with the right of use of state owned land on Cadastre Lot 2014/30 with a total area of 12,110 m²,
- 13 buildings with a total area of 957 m² on Cadastre Lot 3225, list of immovable property no. 13419, i.e. corresponding Cadastre Lot 2014/1 from no. 109-121 in land register no. 952, Cadastre Municipality Šabac, with the right of use of state owned land on Cadastre Lot 3225 with a total area of 5,745 m², with the share of 4952/5745,
- 3 buildings – chemicals processing facilities, with a total area of 2,944 m² on Cadastre Lot 2014/31 land register no. 3823, Cadastre Municipality Šabac, with the right of use of state owned land on Cadastre Lot 2014/31 30 with a total area of 4,209 m²,
- 8 buildings – chemicals processing facilities, with a total area of 5,434 m² on Cadastre Lot 2014/35, land register no. 3823, Cadastre Municipality Šabac, with the right of use of state owned land on Cadastre Lot 2014/35 with a total area of 6,407 m²,

- 10 buildings – chemicals processing facilities, with a total area of 4,954 m² on Cadastre Lot 2014/32, land register no. 3823, Cadastre Municipality Šabac, with the right of use of state owned land on Cadastre Lot 2014/32 with a total area of 4,871 m²,
 - 10 buildings with a total area of 5,896 m² on Cadastre Lot 3222/3, list of immovable property no. 13437, i.e. corresponding Cadastre Lot 2014/1 from no. 143-144 in land register no. 952, Cadastre Municipality Šabac, with the right of use of state owned land on Cadastre Lot 3222/3 with a total area of 4,546 m², with the share of 4541/4546,
 - 2 buildings – chemicals processing facilities, with a total area of 531 m² on Cadastre Lot 2014/33, land register no. 3823, Cadastre Municipality Šabac, with the right of use of state owned land on Cadastre Lot 2014/33 with a total area of 2,223 m²,
 - Workers' restaurant – Commercial building consisting of ground level and one storey, with a total area of 768 m² on Cadastre Lot 3222/18, land register no. 3814, Cadastre Municipality Šabac, with the right of use of state owned land on Cadastre Lot 3222/18 with a total area 2,379 m², with the share of 3/10,
 - Storehouse - total area of 498 m² on Cadastre Lot 3222/38, list of immovable property no. 13420, i.e. corresponding Cadastre Lot 2014/1 under no. 153 in land register no. 952, Cadastre Municipality Šabac, with the right of use of state owned land on Cadastre Lot 3222/38 with a total area of 1,078 m², with the share of 1051/1078,
 - Storehouse - total area of 706 m² on Cadastre Lot 2014/34, land register no. 3823, Cadastre Municipality Šabac, with the right of use of state owned land on Cadastre Lot 2014/34 38 with a total area of 1,768 m²,
 - Fuel and lubricants storehouse with a total area of 61 m² on Cadastre Lot 3222/40, list of immovable property no. 13422, i.e. corresponding Cadastre Lot 2014/1 under the no. 155 in land register no. 952, Cadastre Municipality Šabac, with the right of use of state owned land on Cadastre Lot 3222/40 with a total area of 268 m², with the share of 259/268.
- 2) Construction land outside the city limits, agricultural and other socially owned land: Cadastre Lot 5 with a total area of 9,494 m², list of immovable property no. 510, Cadastre Municipality Orašac, with the share of 5444/9494, Cadastre Lots 16/4, 17 and 18 with a total area of 19,917 m², list of immovable property no. 511, Cadastre Municipality Orašac, with the share of 6167/19917, Cadastre Lots 1, 2, 3/1, 3/2, 3/3, 3/4, 4, 12, 13, 14/1 and 14/2 with a total area of 31,205 m², list of immovable property no. 154, Cadastre Municipality Orašac and Cadastre Lots 1957/1, 1957/2, 1958, 1959, 2042, 2050 and 2427 with a total area of 89,935 m², Cadastre Municipality Mišar.
- 3) **Equipment**, as per specification given in the List of Chattels in the Sale Documents.

Specification of the immovable property and chattels offered for sale is the integral part of the bidding documents (Sale Documents).

Immovable property and chattels are offered for sale on “as is” basis, without possibility for subsequent shortage claims.

2. Sale Documents

Sale Documents Fee is 5,000 EUR (five thousand euros) if the Participant is a foreign legal entity or individual, i.e. 5,000 EUR (five 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 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 **ZMDJ-200209**».

Upon presenting the evidence of payment, Sale Documents can be obtained at the following address: Privatization Agency, Center for Auctions and Compulsory Liquidation, Terazije 23, 11000 Belgrade, from 09:00 to 16:30 from December 12, 2009. to February 11, 2009.

3. Opening Price & Sale Conditions

Opening price for the Subject of Sale at the public bidding is set in the amount of 6,450,226 EUR (six million four hundred and fifty thousand two hundred and twenty six euros).

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.

The buyer is committed to continue to employ all full-time employees employed by the Seller at the time of this sale process, according to the list provided as integral part of the Sale Documents, as provided by the Sale and Purchase Agreement.

The buyer is committed to start up production of mineral fertilizers within the period of one year after the signing of the Sale and Purchase Agreement, as well as keep the production continuity in the following period of at least two years, as specified in the Sale and Purchase Agreement.

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

4. 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;

Consortium which consists of legal entities and/or individuals ("Consortium") that fulfils the above stated conditions also has the right to participate in the public bidding. 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 immovable 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 («RS Official Gazette» no. 38/2001, 18/2003, 45/2005 and 123/2007). Such applications shall be rejected without consideration.

Any individual or legal entity, with the limitations given in Instructions for Participants, has the right to participate in the public bidding provided that it has purchased the Sale Documents, submitted the application for participation in the public bidding and paid the Deposit in the amount of: 650,000 EUR (six hundred and fifty thousand euros), or submitted the first-class bank guarantee (Bid Bond) in the same amount according to the Instructions to Participants.

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.

Participant in the procedure is obliged to pay Deposit in the amount specified in clause 4 for the subject of sale of its interest, or to submit Bid Bond in the same amount, not later than February 11, 2009.

5. Due Diligence Procedure

Upon signing the Confidentiality Agreement and purchasing Sale Documents, i.e. in the period from January 12, 2009 to February 11, 2009, Participant shall be allowed to visit the assets representing the subject of sale, meet with authorized personnel and inspect financial, commercial and legal information relating to the assets.

6. Application for Participating in the Public Bidding

Deadline for submitting application for participating in the public bidding is February 12, 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 ZMDJ 200209
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 number of the account for the return of the deposit. Incomplete and untimely applications will not be taken into consideration. Sale Process Commission will inform all applicants at least two working days prior to the public bidding if their applications were approved.

7. Public Bidding

Public bidding will be held on February 20, 2009, at 14.00 hours Belgrade time, at the following address: Privatization Agency, Terazije. 23, 2nd Floor, Belgrade. Registration of public bidding participants will be held at the same address, on February 20, 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 period 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 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.

BC Consulting d.o.o.

Marija Pantić, Manager
Kneginje Zorke 2
11000 Belgrade, Serbia
Phone. + 381 11 30 82 201
E-mail: marija.pantic@bcconsulting.co.yu

Privatization Agency

**Center for Auctions and Compulsory
Liquidation**
Ljiljana Obradović, Associate
Terazije 23
11000 Belgrade, Serbia
Phone: +381-11-3020804
Fax: +381-11-30 20 881
E-mail: ljobradovic@priv.rs