

In accordance with the Article 28 of the Law on Privatization (“Official Gazette of the Republic of Serbia” nos. 38/2001 and 18/2003),
the Privatization Agency of the Republic of Serbia (hereinafter: “the Agency”) hereby announces a:

PUBLIC INVITATION

For participation at a Public Tender for divestment of 70% of socially owned capital in the entity undergoing privatization:

“UKRAS” – SOCIALLY OWNED COMPANY FOR PRODUCTION OF WOOD FURNITURE

Tender Code: UKR 11/04

1. The total registered capital of UkraS” – Socially owned company for production of wood furniture, Bela Palanka (hereinafter “Entity undergoing privatization”), consists of 100% socially owned capital. The Agency offers for sale 70% of socially owned capital of Entity undergoing privatization, a local manufacturer of wood products.

2. Details about the Entity undergoing privatization:

Address: Srpskih Vladara 92, Bela Palanka

Phone: +381 18 855 139

Fax: +381 18 855 303

Industry: Furniture production.

More details about the entity undergoing privatization are available at http://www.priv.yu/pregled_preduzeca/pdf/e-teaser_141.pdf

Detailed information on the Entity undergoing privatization along with the Information Memorandum (hereinafter “the Tender Documents”) will be made available to all interested parties after signing the Confidentiality Agreement and purchasing the Tender Documents.

The Tender Documents fee is EUR 5,000.00 (Euro five thousand) plus EUR 1,000.00 (Euro one thousand) sales tax.

The Agency has appointed BDO BC Excel d.o.o. (“Consultant”) to act as Consultant in this privatization process.

3. Following parties may submit a bid:

(i) A potential bidder that fulfills the following requirements:

- Has purchased the Tender Documents; and
- That it is has been engaged in production or sales of wood products in last 3 (three) years;

If a potential bidder is a subsidiary that does not fulfill the requirements of this Clause of the Public Invitation, the right to submit a bid has its parent company if it fulfills the stated requirements. The parent company has the right to submit the bid if the subsidiary has purchased the Tender Documents.

If a potential bidder is a parent company that does not fulfill the requirements of this Clause of the Public Invitation, the right to submit a bid has its subsidiary if it fulfills the stated requirements. The subsidiary has the right to submit the bid if the parent company has purchased the Tender Documents.

(ii) If a potential bidder is a consortium it is necessary that it fulfills the following requirements:

- All consortium members have made the decision on organizing and entering into the consortium;
- That all the consortium members have made a written Consortium Agreement and notarized it at the Court;
- Each member of the consortium assumes a several and joint unlimited liability by the provisions of the Consortium Agreement;
- The Consortium Agreement specifies each member's percentage in the acquisition of the capital of the Entity undergoing privatization ;
- All Consortium members have signed a Notarized Power of Attorney for the representing member of the Consortium;
- All Consortium members have signed the Confidentiality Agreement;
- At least one of the Consortium members has purchased the Tender Documents;
- At least one of the Consortium members fulfills the following requirement:
It is has been engaged in production and/or sales of wood products for the last 3 (three) years;

4. The Agency hereby invites all interested parties to submit a written request for purchasing the Tender Documents for the Entity undergoing privatization, by **December 21st 2004**;

The Tender Documents shall be available to interested parties starting from November 29th 2004.

The written request for purchasing the Tender Documents shall be sent by post, e-mail or facsimile to Consultant and shall clearly display the reference "Request for purchasing the Tender Documents – Tender Code UKR 11/04.

Upon receiving the request, an invoice for paying the Tender Documents Fee as well as the Confidentiality Agreement for signature shall be forwarded to the Tender Participant's authorized representative by post, e-mail or facsimile. The signed Confidentiality Agreement shall be immediately faxed and mailed back to Consultant to the address below.

Upon receiving the signed Confidentiality Agreement and evidence of payment of the Tender Documents Fee, Consultant shall immediately forward the relevant Tender Documents to the Tender Participant by mail or hand it to their authorized representative.

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

5. The deadline for submission of the final binding offers for the acquisition of the capital by the bidders is **January 21st 2005, at 05:00 p.m.** (Belgrade time). If necessary, the Agency reserves the right to amend the deadlines of this Public Invitation. As a prerequisite for submitting a bid, it is necessary to pay a deposit or submit a Bid Bond in the amount of EUR 50,000 (Euro fifty thousand).
6. All the questions relating to this Public Invitation should be directed to Consultant's contact persons below:

Dr. Dejan Soskic
Project Manager
BDO BC Excel d.o.o.
Knez Mihailova 10, 11000 Belgrade,
Serbia
Tel No: + 381 11 328 13 99
Fax No: + 381 11 328 18 08
E-mail: dejan.soskic@bcexcel.co.yu

Milovan Popovic
Local Team Leader
BDO BC Excel d.o.o.
Knez Mihailova 10, 11000 Belgrade,
Serbia
Tel No: + 381 11 328 14 11
Fax No + 381 11 328 18 08
- E-mail: milovan.popovic@bcexcel.co.yu