



YUMCO A.D.

On the basis of the Agency Contract between Holding Company YUMCO AD Vranje and the Privatization Agency, certified at the First Municipal Court in Belgrade under certification no. 265/2008 of February 27, 2008, Article 95 of the Law on Contracts and Torts (Official Gazette of SFRY Nos. 29/78, 39/85, 45/89 – Decision of the Constitutional Court of Yugoslavia and 57/89, Official Gazette of FRY No. 31/93 and Official Gazette of Serbia and Montenegro No. 1/2003 – Constitutional Charter) and in accordance with the Conclusion of the Government of the Republic of Serbia on accepting the information on the realization of the Business and Financial Consolidation Program of Holding Company Cotton Nill YUMCO AD Vranje, under official no. 05 no. 023-7910/2004 of December 2, 2004, and in accordance with Article 6 and Article 9 of the Law on the Privatization Agency (Official Gazette of RS Nos. 38/2001 and 135/2004), the Privatization Agency of the Republic of Serbia (hereinafter: the agency) hereby announces:

**PUBLIC INVITATION
FOR PARTICIPATION IN THE PROCEDURE OF PUBLIC COLLECTION
OF WRITTEN BIDS AND PURCHASE OF THE STAKE OF THE HOLDING
COMPANY “YUMCO” AD VRANJE IN BUSSINES COMPANY FOR
PRODUCTION AND TRADE OF MINERAL WATER AND REFRESHING
BEVARAGES “BIVODA” DOO, RAKOVAC, AND PART OF THE ASSETS
OWNED BY HOLDING COMPANY “YUMCO” AD VRANJE**

Sale Code: BIV 11/08

1. Subject of sale

The sales subject is property consisting of:

A) 100% stake of the Holding Company “YUMCO” AD Vranje (hereinafter: **”Yumco” AD Vranje** or the **Seller**) in the business company for production and trade of mineral water and refreshing beverages “BIVODA” d.o.o., Rakovac (**Sales Subject**), which constitutes 100% of the total capital of the Sales Subject

B) Part of property owned by “Yumco” AD Vranje, used by the Sales Subject, namely:

i) right over real estate entered in competent real estate records in favor of **”Yumco” AD Vranje**, namely:

Land:

1. right of use over cadastral lots 2568, 2577/2, Livade, Cadastral Municipality of Rakovac, surface 37,406m²;
2. right of property and use over cadastral lots 2589/1, 2561, ½ 2562/1, 2564/3 Livade, Cadastral Municipality of Rakovac, surface 13,054m²;
3. right of use over cadastral lot 2562/1 Livade, Cadastral Municipality of Rakovac, surface 2,740m²;
4. cadastral lots 2589/4, 2589/5, 2564/1, 2564/2, 2562/3 and ½ ideal parts of 2562/1 Livade, Cadastral Municipality of Rakovac, surface 8,623m² which is currently under court proceedings based on the claim filed by “Yumco” AD Vranje, for the purpose of proving the right of ownership based on purchase.

Buildings:

1. Right of property over the factory – building no. 1, on cadastral lot 2568, 2577/2 Cadastral Municipality of Rakovac, surface 15,116m²;
2. Right of property over a fuel oil pool (i.e. boiler room) – building no. 2, on cadastral lot 2568, 2577/2 Cadastral Municipality of Rakovac, surface 291m²;
3. Right of property over a fuel oil pump (i.e. fuel oil station) – building no. 3, on cadastral lot 2568, 2577/2 Cadastral Municipality of Rakovac, surface 12m²;
4. Roads on cadastral lot 2568, 2577/2 Cadastral Municipality of Rakovac, surface 5,100m², built by the Seller, without proof of ownership.

ii) movable assets stated in the Property List which is a constituent part of the Sales Documents.

The sales subject is sold in the seen condition, without subsequent complaints.

The Privatization Agency sells the sales subject on behalf and for the account of the Seller, in accordance with the Power of Attorney Contract signed with the Seller and according to the provisions of valid regulations of the Republic of Serbia regulating trade in property constituting the sales subject.

2. Information on the sales subject

Address: Rakovac bb, Rakovac

Phone: +381 17 654 390

Fax: +381 17 651 266

Core activity: mineral water production

Registered for foreign trade and services in foreign trade

3. Mandatory Sale Requirements

A) Stake and other assets constituting the Sales Subject are sold as a single unit.

B) Minimum price – the lowest price to be offered for the Sales Subject in this procedure of the public collection of written bids amounts to RSD 1,079,100,151.00 (one billion seventy-nine million one hundred thousand and fifty-one dinar).

C) Minimum Social Program – a minimal social program is a compulsory requirement that each Bidder must fully accept. Minimum Social Program includes the takeover of all workers employed by the Sales Subject on the date of execution of the Sale and Purchase Agreement. The number of employees in the Sales Subject on **April 20, 2008** is **103**.

D) The buyer of the Sales Subject cannot be a foreign legal entity or natural person, in line with Article 1 of the current and effective Law on Agricultural Land.

E) Under the conditions and limitations set out in Clause 3 of this Public Invitation, the Bid may be submitted by:

E 1. Potential bidder that fulfills the following conditions:

- it has purchased the Sales Documents, and
- it fulfills at least one of the following requirements:
 - a. it has been engaged in the production and bottling of mineral water and refreshing non-alcoholic beverages for at least the last three business years in continuity and realized operating revenues of at least EUR 4,000,000 (four million euros) in 2007, or
 - b. it is a financial investor (whose main activity is investing money and who has existed for at least 3 years and includes investment companies, mutual funds, insurance companies, pension funds and investment banks) with total business assets exceeding EUR 20,000,000 (twenty million euros) in 2007, or
 - c. it is a financial investor with business income of at least EUR 10,000,000 (ten million euros) in 2007.

If an interested bidder is a subsidiary that does not meet the requirements from this clause of the Public Invitation, its parent company has the right to submit a bid, if it fulfills these requirements. The parent company that fulfills the above stated requirements may also submit a bid if its subsidiary has purchased the Sales Documents. If an interested bidder is a parent company that does not meet the requirements from this clause of the Public Invitation, its subsidiary has the right to submit the bid, if it fulfills these requirements. The subsidiary that fulfills the above stated requirements may also submit a bid if the parent company has purchased the Sales Documents.

If the interested bidder is a consortium, it is necessary that it fulfills cumulatively the following conditions:

- All Consortium members have made the decision on organizing and entering the Consortium;
- All Consortium members have concluded a written Consortium Agreement and notarized it at the Court, or other competent body (in case of foreign legal entities and individuals).

- Each Consortium member assumes unlimited joint and several liability under the Consortium Agreement;
- The Consortium Agreement specifies each member's percentage in the acquisition of capital of the Entity undergoing privatization, provided that one Consortium member has at least 51% of the total share in Consortium (hereinafter: **Consortium Leader**);
- 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 Sales Documents;
- The Leader of the Consortium fulfills at least one of the following requirements:
 - a. it has been engaged in the production and bottling of mineral water and refreshing non-alcoholic beverages for at least the last three business years in continuity and realized operating revenues of at least EUR 4,000,000 (four million euros) in 2007, or
 - b. it is a financial investor (whose main activity is investing money and who has existed for at least 3 years and includes investment companies, mutual funds, insurance companies, pension funds and investment banks) with total business assets exceeding EUR 20,000,000 (twenty million euros) in 2007, or
 - c. it is a financial investor with business income of at least EUR 10,000,000 (ten million euros) in 2007.

E 2. In exceptional circumstances, if the interested Bidder is a foreign natural person or legal entity that fulfills the conditions from sub-clause E1, Clause 3 of the Public Invitation, and who cannot be the buyer of the Sales Subject pursuant to Art. 1 of the applicable Law on Agricultural Land, its local subsidiary has the right to submit the bid even if it does not fulfill the conditions from sub-clause E1, Clause 3 of the Public Invitation, provided that it fulfills other requirements set out in Clause 3 and that such subsidiary has the seat in the Republic of Serbia and operates with the capital which is 100% owned by a foreign legal entity or natural person that fulfills the conditions from sub-clause E1, Clause 3 of the Public Invitation, and under the condition that the same foreign legal entity or natural person shall be is the guarantor for the fulfillment of the Buyer's obligations under the Agreement on Sale and Purchase of the Sales Subject.

The condition set out in Clause E2 shall apply to each consortium member if interested bidder is a consortium.

4. Sales Documents

Detailed information on the Sales Subject and Entity undergoing sale (Information Memorandum), as well as Instructions to Bidders (hereinafter: Sales Documents) will be made available to all interested participants starting from **May 12, 2008**, and upon signing of the Confidentiality Agreement and payment of the Sales Documents Fee

Sales Documents Fee is EUR 8,000.00 (eight thousand euros).

The Seller has engaged Eucons Group Ltd. (hereinafter: **Advisor**) as their advisor in this sales procedure.

The Agency is hereby inviting all interested participants that comply with the conditions from this Public Invitation to file a written request for the purchase of the Sales Documents by **May 30, 2008**, at 16:30 hours (Belgrade time).

A written request for the purchase of the Sales Documents shall be filed with the Advisor by mail, e-mail or fax, at the address below, with reference: "Request for the Purchase of Sales Documents – Sales Code **BIV 11/08**". Upon receiving the request, an invoice for payment of the Sales Documents Fee and the Confidentiality Agreement for signature, shall be forwarded to the participant's authorized representative by mail, e-mail or facsimile. Signed Confidentiality Agreement shall be immediately faxed and mailed back to the Advisor to the addresses below.

Upon receipt of the signed Confidentiality Agreement, evidence of the power of attorney for the person who signed the Confidentiality Agreement, and evidence of payment of the Sales Documents Fee, the Advisor shall send the relevant Sales Documents to the Participant by mail/e-mail, or hand it to its authorized representative.

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

5. Submission of final written bids

The deadline for the submission of final written bids by interested bidders for the purchase of the Sales Subject is **June 30, 2008**, at 16:30 hours, Belgrade time.

The Agency reserves the right to change any and all elements (including terms and deadlines) of this Public Invitation and the Sales Documents.

As a prerequisite for bid submission, it is necessary to pay a deposit or to submit the Bid Bond in the amount of EUR 250.000 (Euro two hundred fifty thousand).

6. Questions and Additional Clarifications

For all the issues relating to this Public Invitation, interested parties can contact the Advisor at the address below, in Serbian or English:

EUCONS GROUP Ltd.

Zoran Andjelkovic

Project Manager

Kralja Milana 7/5

Republic of Serbia

Phone: +381 11 324 6823

+381 11 324 6842

Fax: +381 11 324 6841

E-mail: azoran@eucons.co.yu

PRIVATIZATION AGENCY

Jadranka Zec

Project Manager

Terazije 23, Belgrade

Republic of Serbia

Phone: +381 11 3020 855

Fax: +381 11 3020816

E-mail: jzec@priv.yu