

In accordance with the Article 28 of the Law on Privatization ("Official Gazette of the Republic of Serbia", numbers 38/2001, 18/2003 and 45/2005)

PRIVATIZATION AGENCY

(hereinafter: "the Agency")

hereby announces:

PUBLIC INVITATION

For participation in the Public Tender

for sale of 68,36% of total capital of:

**Joint-stock company for foreign
and domestic trade „Centrotexil“, Belgrade**

(hereinafter: Entity undergoing privatization)

Tender Code: **CTX 19/06**

1. The total registered capital of the Entity undergoing privatization consists of 97,67% socially-owned capital and 2,33% of shareholders' capital.
2. The Agency offers for sale 70% of socially owned capital of the Entity undergoing privatization, which represents 68,36% of the total registered capital.
3. Data about the Entity undergoing privatization:

Address: 1 Knez Mihailova St, 11000 Belgrade, Republic of Serbia

Phone: + 381 11 32 81 222

Fax: + 381 11 63 68 79

The main activities: Wholesale trade in clothes and footwear.

More details about the Entity undergoing privatization are available at Internet address:

www.priv.yu/pregled_preduzeca/pdf/teaser_3359.pdf

Detailed information on the Entity undergoing privatization, along with the Information Memorandum (hereinafter: Tender Documents) will be made available to all interested tender participants upon signing of the Confidentiality Agreement and payment of the Tender Documents Fee.

The Tender Documents Fee is EUR 6.000 (Euro Six thousand).

The Agency has appointed BC Consulting d.o.o. Belgrade to act as its Advisor in this privatization process (hereinafter: Consultant).

4. A bid may be submitted by:

A. Potential bidder that fulfills the following requirements:

- It has purchased the Tender Documents, and
- It fulfills one of the following conditions:

- a) It has been engaged in the activity of wholesale and retail trade in clothes and/or footwear or production of textile, clothes and/or footwear for at least the last 3 years continually, and it achieved operating revenues of at least EUR 10.000.000 (Euro ten million) in 2005;
- b) **or** it is a Financial Investor (a legal entity whose core business is investment of money, existing for at least the last 3 years, and including investment companies, mutual funds, insurance companies, pension funds, and investment banks) with total operating assets in excess of EUR 50.000.000 (Euro fifty million) in 2005;
- c) **or it** is an investor that achieved in 2005 operating revenues in excess of EUR 50.000.000 (Euro fifty million).

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

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

B. If a potential bidder is a Consortium it must cumulatively fulfill the following requirements:

- All consortium members made a valid decision to form and enter into Consortium;
- All consortium members have entered into a written Consortium Agreement and such agreement has been duly notarized with the court, or other competent body (in case of foreign legal entities and private entities);
- Each consortium member assumes joint and unlimited liability under the Consortium Agreement;
- Consortium Agreement specifies each member's percentage in acquisition of the capital of the Entity undergoing privatization, herewith that consortium member which has major share in consortium must have at least 30% of total share in consortium (hereinafter : "Majority Consortium Member");
- All consortium members have signed a notarized power of attorney for the representing member of the consortium;
- All consortium members have signed a Confidentiality Agreement;
- At least one of the consortium members has purchased the Tender Documents;
- Majority Consortium Member, fulfills one of the following requirements:
 - a) It has been engaged in the activity of wholesale and retail trade in clothes and/or footwear or production of textile, clothes and/or footwear for at least the last 3 years continually, and it achieved operating revenues of at least EUR 10.000.000 (Euro ten million) in 2005;
 - b) **or** it is a Financial Investor (a legal entity whose core business is investment of money, existing for at least the last 3 years, and including investment companies, mutual funds, insurance companies, pension funds, and investment banks) with total operating assets in excess of EUR 50.000.000 (Euro five million) in 2005;
 - c) **or** is an investor that achieved in 2005 operating revenues in excess of EUR 50.000.000 (Euro fifty million),;

5. The Agency hereby invites all interested parties to submit a written request for the purchase of the Tender Documents for the Entity undergoing privatization, by **September 29th 2006**.

The Tender Documents will be available to interested parties from September 4th 2006.

A written request for purchasing the Tender Documents should be sent to Consultant by post, e-mail or facsimile to the address below, with clearly displayed reference „Request for purchasing the Tender Documents – Tender Code: **CTX 19/06**“.

Upon receipt of the request, an invoice for payment of the Tender Documents Fee, as well as the Confidentiality Agreement for signature, will be delivered to the Tender Participant's authorized representative by post, e-mail or facsimile. The signed Confidentiality Agreement should be immediately faxed and mailed back to Consultant at the address stated below.

Upon receipt of the signed Confidentiality Agreement, evidence of power of attorney for the authorized representative and evidence of payment of the Tender Documents Fee, the Consultant will immediately forward the relevant Tender Documents to the Tender Participant by mail/e-mail or hand it to its 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.

6. The deadline for submission of the final binding offers for acquisition 70% of socially owned capital of the Entity undergoing privatization by interested bidders is **October 27th 2006, by 17:00h** (Belgrade time). If necessary, the Agency reserves the right to amend or change the deadlines and conditions of the 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 250.000 (Euro two hundred and fifty thousand).

7. All the questions relating to this Public Invitation should be directed to Consultant's representatives at the below address, in the Serbian and English.

Nikica Kolundzija, director

BC Consulting d.o.o
Bulevar Kralja Aleksandra 24/V
11000 Belgrade
Republic of Serbia

Phone/Fax: + 381 11 32 35 612
Phone/Fax: + 381 11 32 35 616

E-mail: nikica.kolundzija@bcconsulting.co.yu

Natasa Bucevac, project manager

BC Consulting d.o.o
Bulevar Kralja Aleksandra 24/V
11000 Belgrade
Republic of Serbia

Phone/Fax: + 381 11 32 35 612
Phone/Fax: + 381 11 32 35 616

E-mail: natasa.bucevac@bcconsulting.co.yu