

In accordance with Article 28 of the Law on Privatization ("Official Gazette of the Republic of Serbia" nos. 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 100% of the total registered capital in:

**"TK Ljubisa Miodragovic" Prijepolje - in restructuring
(hereinafter "Entity undergoing privatization")**

Tender Code: **LJM 03/06**

1. The total registered capital of the Entity undergoing privatization consists of 79.82% state owned capital and 20.18% socially owned capital.
2. The Agency is offering for sale 100% of the total registered capital of the Entity undergoing privatization.
3. Details about the Entity undergoing privatization:

Address: **Trg Dimitrija Tucovica 7, Prijepolje, Serbia & Montenegro**
Phone: **+381 33 780 018**
Fax: **+381 33 781 600**
Industry: **Production of cotton fabrics**

More details about the Entity undergoing privatization are available at:

http://www.priv.yu/pregled_preduzeca/pdf/e-teaser_367.pdf

Detailed information on the Entity undergoing privatization along with the Information Memorandum (hereinafter "the 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 6,000.00 (Euro six thousand).

The Agency has appointed Eucons group d.o.o. Belgrade ("Consultant") to act as advisor in this privatization process.

4. A bid may be submitted by:
 - A. A potential bidder that fulfills the following requirements:
 - It has purchased the Tender Documents, and
 - It has been engaged in production and/or processing and/or trade of textile products for at least the last 2 (two) operating years in continuity.

If an interested 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 the bid if the parent company has purchased the Tender Documents.

If an interested 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 the bid if the subsidiary has purchased the Tender Documents.

- B. If an interested 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;
- All Consortium members have signed a written Consortium Agreement and duly notarized it at Court or other relevant authority (in case of foreign legal entities and individuals);
- Each member of the Consortium assumes an unlimited joint and several liability according to 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 has been engaged in production and/or processing and/or trade of textile products for at least the last 2 (two) operating years in continuity.

5. The Agency hereby invites all interested tender participants to submit a written request for purchase of the Tender Documents for the Entity undergoing privatization **by May 5, 2006**;

The Tender Documents shall be available to the interested parties starting from April 13, 2006.

A written request for purchase of the Tender Documents shall be sent by post, e-mail or facsimile to Consultant at the address below, and shall clearly display the reference "Request for purchase of the Tender Documents – Tender Code **LJM 03/06**".

Upon receipt of 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 fax. The signed Confidentiality Agreement shall be immediately faxed and mailed back to Consultant to the address below.

Upon receiving the signed Confidentiality Agreement, evidence of authorization for the person signing the Confidentiality Agreement and evidence of payment of the Tender Documents Fee, Consultant shall forward the 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 the acquisition of 100% of the total registered capital of the Entity undergoing privatization by the bidders is **June 08, 2006, at 5 p.m. (Belgrade time)**.

If necessary, the Agency reserves the right to amend the terms and deadlines of this Public Invitation. As a prerequisite for submitting a bid, it is required to pay a deposit or submit a Bid Bond in the amount of **EUR 50,000** (Euro fifty thousand).

7. All questions relating to this Public Invitation should be directed to Consultant contact persons below, in Serbian or English:

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