

Based on Article 28 of the Law on Privatization ("Official Gazette of the Republic of Serbia", No. 38/2001, 18/2003, and 45/2005),

**PRIVATIZATION AGENCY**  
(hereinafter: "Agency")  
issues a:

**PUBLIC INVITATION**

for participation in the public tender  
for sale of 100% of the total registered socially owned capital of:

**Industrija odeće «PRVI MAJ», akcionarsko društvo,  
u restrukturiranju, Pirot**  
(hereinafter: Entity undergoing privatization")

Tender Code: **PM 16/06**

1. Total registered capital of the Entity undergoing privatization consists of 99,14% socially owned capital and 0,86% share capital.
2. The Agency is offering for sale 100% of the total registered socially owned capital of the Entity undergoing privatization.
3. Information about the Entity undergoing privatization:

Address: Ul. Nikole Pašića bb, 18300 Pirot, Republic of Serbia  
Tel: +381 (10) 333-144  
Fax: +381 (10) 335-114

Core activity: Manufacturing of other clothing

More details on the Entity undergoing privatization are available at the internet address:

[http://www.priv.yu/pregled\\_preduzeca/pdf/e-teaser\\_400.pdf](http://www.priv.yu/pregled_preduzeca/pdf/e-teaser_400.pdf)

Detailed information on the Entity undergoing privatization, as well as the Instruction to Bidders (hereinafter: "Tender Documents") shall be available to all interested tender participants after signing 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 "Dil Inzenjering Konsalting" d.o.o. Belgrade as the consultant in this privatization procedure (hereinafter: "Consultant").

4. A bid may be submitted by:
  - A. An interested bidder who fulfills the following conditions:
    - it has purchased the Tender Documents, and
    - fulfills at least one of the following conditions:

- a) it has **either** been engaged in production and/or trade of textile or textile products for at least the last 3 business years in continuity and that it achieved operating revenue in excess of EUR 5,000,000 (Euro five million) in 2005;
- b) **or** is a financial investor (legal entity whose core activity is investing money, which exists at least the last 3 business years in continuity and includes 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** is an investor who achieved operating revenue in excess of EUR 10,000,000 (Euro ten million) in 2005;

If the interested bidder is a parent company that does not fulfill conditions from this clause of the Public Invitation, its subsidiary has the right to submit the bid, if it fulfills these conditions. The subsidiary in this case also has the right to submit the bid if the parent company purchased the Tender Documents.

If the interested bidder is a subsidiary that does not fulfill the conditions from this clause of the Public Invitation, its parent company has the right to submit a bid, if it fulfills these conditions. The parent company in this case also has the right to submit the bid if the subsidiary purchased the Tender Documents.

B. If the interested bidder is a Consortium, it must fulfill the following conditions:

- All Consortium members have passed the Decision on organizing and entering the Consortium;
- All Consortium members have concluded a written Consortium Agreement and certified it with the Court, i.e. other competent body (in the case of foreign legal entities and natural persons);
- Each Consortium member assumed unlimited joint and several 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 certified Power of Attorney for the member representing the Consortium;
- All Consortium members have signed Confidentiality Agreement
- At least one member of the Consortium has purchased Tender Documents; and
- At least one member of the Consortium fulfills at least one of the following conditions:
  - a) it has **either** been engaged in production and/or trade of textile or textile products for at least the last 3 business years in continuity and that it achieved operating revenue in excess of EUR 5,000,000 (Euro five million) in 2005;
  - b) **or** is a financial investor (legal entity whose core activity is investing money, which exists at least the last 3 business years in continuity and includes 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** is an investor who achieved operating revenue in excess of EUR 10,000,000 (Euro ten million) in 2005;

5. The Agency hereby invites all parties interested in participating in the tender to submit a written request for purchasing the Tender Documents for the Entity undergoing privatization, no later than **by September 01, 2006.**

**Tender Documents will be available to interested parties from August 10, 2006.**

Written requests for purchasing the Tender Documents shall be submitted to the Consultant by mail, e-mail, or fax, to the address listed below, clearly marked "Request for Purchasing the Tender Documents – Tender Code: **PM 16/06**".

Upon receipt of this request, an invoice for payment of the Tender Documents Fee, as well as the Confidentiality Agreement for signature, shall be forwarded to the applicant's authorized representative by mail, e-mail, or fax. The signed Confidentiality Agreement must be immediately faxed and mailed back to the Consultant at the address below.

Upon receipt of the signed Confidentiality Agreement, the proof of authorization for the person who signed the Confidentiality Agreement, and the proof of payment of the Tender Documents Fee, the Consultant shall deliver the Tender Documents to the tender participant by mail/e-mail or hand it to its authorized representative.

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

6. The deadline for submitting final binding offers for purchase of 99,14% of the total registered capital of the Entity undergoing privatization by bidders is **September 25, 2006 at 5 p.m. Belgrade time.**

If necessary, the Privatization Agency retains the right to change all elements of this Public Invitation.

As a prerequisite for submitting a bid, it is required to pay deposit or to submit a Bid Bond in the amount of EUR 50,000.00 (fifty thousand Euro).

7. For any questions pertaining to this Public Invitation, interested parties may contact persons listed below, in the Serbian or the English language.

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