

Based on the Decision no. 726/1 dated 12 March 2007 of the Meeting of the DP Industrija galovih i tehničkih lanaca, transportnih i skladišnih sistema «Filip Kljajić», u restrukturiranju - Socially-owned enterprise Industry of technical chains, transportation and storage systems «Filip Kljajić» in restructuring, from Kragujevac, 49 Dragoslava Srejovića St. and the Agreement on Power of Attorney certified with the First Municipal Court in Belgrade, II/1 Cert. No. 2456/06 dated 27 December 2006 closed between the Socially-owned enterprise Industry of technical chains, transportation and storage systems «Filip Kljajić», in restructuring, from Kragujevac, 49 Dragoslava Srejovića St. and the Privatization Agency and Annex 2 of the Agreement on Power of Attorney certified with the First Municipal Court in Belgrade, II/2 Cert. no. 598/07 dated 23 March 2007,

Privatization Agency of the Republic of Serbia announces:

PUBLIC INVITATION

FOR PARTICIPATION IN THE PUBLIC BIDDING FOR

PURCHASE OF THE IMMOVABLE AND MOVABLE PROPERTIES of the Socially-owned enterprise Industry of technical chains, transportation and storage systems «Filip Kljajić» in restructuring) from Kragujevac, 49 Dragoslava Srejovića St.,

i.e.

PROPERTY UNIT “FABRIKA MAŠINA, ALATA I AUTO DELOVA” - MACHINE, TOOLS AND CAR PARTS PLANT

AS SEEN

Sale code: 240407-R-1875

Subject of Public sale:

Subject of sale is the immovable property over which the holder of rights of disposal, use and managing, as well as the tenure holder of which is the Socially-owned enterprise Industry of technical chains, transportation and storage systems «Filip Kljajić», in restructuring, from Kragujevac, 49 Dragoslava Srejovića St., i.e. 5 facilities, total area of which is 10.227 m² inscribed in the V sheet of the Copy of the Register of the Immovable property recorded by the Office for the cadastre of the Immovable property no. 10630 of the Cadastral Municipality of Kragujevac no. 1, inscribed under no. 952 – 1/2007 – 427 and issued on 26 January 2007, which is the Property Unit Machine, Tools and Car Parts Plant, with the equipment and small inventory described in detail in the Appendix which is an integral part of the Bidding documents.

Facilities of the Property Unit of the Machine, Tools and Car Parts Plant are: production plant, covering the area of 7.285 m², facility no. 4 of the V sheet, warehouse for storage of finished products, covering the area of 1.888 m², facility no. 5 of the V sheet, old slaughterhouse, covering the area of 575 m², facility no. 6 of the V sheet, dining-room, covering the area of 375 m², facility no.7 of the V sheet and warehouse/porter’s lodge, covering the area of 104 m², facility no. 10 of the V sheet.

Aforementioned immovable and movable properties are offered for sale as seen, without possibility for further complaints.

Mandatory terms of the Public Sale:

The initial price at the Public Bidding amounts to **RSD 81.149.000,00**.

The Sales-Purchase price is to be paid off AT ONCE.

Means of payment for the Sales-Purchase price can be SOLELY in domestic currency or in foreign convertible currency.

If the declared buyer is a domestic legal entity or individual, it can pay the Sales-Purchase price in the RSD equivalent, calculated according to the official intermediate exchange rate of the National Bank of Serbia (NBS) on the payment date.

Participation requirements:

The right to participate in the Public Bidding have parties which have cumulatively fulfilled the following requirements:

- purchased the Bidding Documents;
- signed the Confidentiality Agreement;
- submitted the Application for participation in the Public Sale;
- paid in the deposit for participation in the Public Bidding to the amount of **RSD 8.114.900,00**, or have submitted the Bid Bond to the amount of **RSD 8.114.900,00** along with the Application for participation in the Public Bidding, and
- registered for participation in the Public Bidding.

As a Bidder can apply also a Consortium consisted of domestic and/or foreign legal entities and/or individuals (hereinafter: Consortium). Through the Consortium Agreement members of Consortium have to authorize one of them to represent a Consortium (hereinafter: the Authorized Representative of the Consortium) to act on behalf of and for the account of a Consortium. Through the Consortium Agreement it has to be determined the unlimited joint and several liability of all members of a Consortium.

The Consortium Agreement has to be submitted along with the Application for participation in the Public Bidding.

Selling (bidding) documents:

Selling documents must contain:

- The Confidentiality Agreement
- Application form for participation in the Public Bidding
- Draft Sale and Purchase Agreement
- Rules of the Public Bidding procedure – Instructions to Bidders
- Relevant property and legal documents
- Copy of the Public Invitation for participation in the Public Bidding

Those who are interested can purchase selling documents at the price of **RSD 40.000,00**.

After the payment evidence has been submitted, the selling documents can be collected at the following address: Privatization Agency, Belgrade, 23 Terazije St, 5th floor, office 511. The funds paid for the purchase of the selling documents are not refundable.

The selling documents are available to interested parties from 27 March until 16 April 2007, on working days from 09:00 to 16:00.

The parties which have purchased the Bidding documents and signed the Confidentiality Agreement will be enabled to visit the Subject of sale.

The visit schedule to the Subject of sale will be determined in accordance with the Rules of the Public Bidding procedure – Instructions to Bidders.

Contact person:

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Submission of Applications for participation in the Public Bidding:

The Applications are to be submitted directly to the Privatization Agency, Belgrade, 23 Terazije St., 5th Floor, office 511, in a sealed envelope marked with:

Auction Sale Code: **240407-R-1875**
APPLICATION FOR PARTICIPATION IN PUBLIC BIDDING
Privatization Agency of the Republic of Serbia
23/V Terazije St.
Belgrade

The deadline for submission of Applications for participation in the Public Bidding is 17 April 2007, at 16:00.

The Application for participation in the Public Bidding is to be completed in a separate form, which is an integral part of the Bidding Documents. Along with the Application for participation in the Public Bidding, it is mandatory to submit signed and on each page initialed Draft Sales and Purchase Agreement and the deposit payment receipt, i.e., the Bid Bond.

Incomplete and belated Applications will not be taken into consideration.

The Commission for the Public sale implementation will inform the applicants for participation in the Public Bidding on approval of their Applications at the latest until one working day prior to the Public Bidding date.

The participants whose Applications for participation in the Public Bidding have been approved, but who have failed to register, lose the right to be returned the deposit, i.e the Bid Bond. Even the participants who have been registered, but have not attended the Public Bidding lose the right to be returned the deposit, i.e. the Bid Bond.

Performance of the Public Bidding:

Public Bidding for the purpose of Public sale will be held on 24 April 2007, beginning at 12:00, at the address: Privatization Agency, Belgrade, 23 Terazije St., 2nd floor, Large Hall.

Registration of participants in the Public Bidding will be held at the same address, starting one hour prior to the Public Bidding performance, and ending ten minutes prior to the Public Bidding performance, i.e. in period from 11:00 to 11:50.

The method of the Public Bidding performance is described in detail in the Rules of the Public Bidding procedure.

The deposit, i.e. the Bid Bond, is to be returned to the participants not having been declared buyers within 10 working days from the date of the Public Sale conclusion, except for the participant having bid the second-ranked offer at the Public Bidding procedure.

Conclusion of the Agreement on Property Sale:

The text of Draft Agreement on Property Sale and the text of the Agreement on Property Sale cannot be changed.

The participant, who has been the first to bid the best offer at the Public Bidding procedure and has been declared a buyer, will sign the Agreement on Property Sale with the seller.

The participant, who has been the first to bid the best offer in the course of the Public Bidding procedure and has submitted the Bid Bond to the Agency, along with the Application for participation, as a means of the deposit payment guarantee, has the obligation to pay in the deposit amount into the Agency's account at the latest until two days following the Public Bidding date.

If the declared buyer refuses to sign the Minutes on the Public Bidding or the Agreement on Property Sale or fails to pay the Sales-Purchase price within the determined period, it will lose the right to be returned the deposit, i.e. the Bid Bond is to be cashed.

In case that the declared buyer refuses to sign the Minutes on the Public Bidding or the Agreement on Property Sale, or fails to pay the Sales-Purchase price within the determined period, but there have been other bids, the Agreement on Property Sale will be concluded with the participant, who has bid the second-ranked offer at the price offered by that participant.

If a Bidder, who has bid the second-ranked offer at the Public Bidding, refuses to sign the Minutes or the Agreement on Property Sale or fails to pay the Sales-Purchase price within the determined period, it will lose the right to be returned the deposit, i.e. the Bid Bond will be cashed.

Right to amend the Public Invitation:

Privatization Agency and the Socially-owned enterprise Industry of technical chains, transportation and storage systems «Filip Kljajić», in restructuring, from Kragujevac, 49 Dragoslava Srejovića St., reserve the right to change dates, deadlines and/or terms set out in this Public Invitation, and shall bear no liability for potential costs or damages, which such amendments may cause to prospective participants in the Public Bidding.

Privatization Agency will inform potential participants on the amendments to the Public Invitation at the latest until the Public Bidding date.