

Based on a Decree on sale of share of HK PK "Yumco" AD Vranje in the Company „Bivoda“ d.o.o. Rakovac and a part of assets of HK PK „Yumco“ A.D. Vranje, Contract on agency signed between HK „Yumco“ A.D., Vranje and Privatization Agency sealed by the First Municipal Court in Belgrade No. 1-434/00-324 dated 24.02.2009., article 95. Law on contractual relations ("Sl. list SFRJ", No. 29/78, 39/85, 45/89 – decision USJ and 57/89, "Sl. list SRJ", No. 31/93, and "Sl. list SCG", No. 1/2003 – Constitutional charter), in accordance with Conclusion of the Serbian Government by which is accepted an Information on realization of the Program of business-financial consolidation of Holding Company Cotton Works "Yumco" AD, Vranje, No. 05 No. 023-7910/2004 dated 02.12.2004. And article 6. and article 9. Privatization Law ("Sl. Gazette RS", No. 38/2001 and 135/2004), Privatization Agency of Republic of Serbia (hereinafter Agency) announces:

PUBLIC INVITATION

FOR PARTICIPATION IN THE PROCESS OF COLLECTION OF WRITTEN BIDS FOR ACQUISITION OF SHARE OF HOLDING COMPANY „YUMCO“ A.D., VRANJE IN THE COMPANY FOR PRODUCTION AND SALES OF MINERAL WATER AND REFRESHMENT BEVRAGES „BIVODA“ D.O.O. RAKOVAC AND A PART OF ASSETS IN OWNERSHIP OF HOLDING COMPANY „YUMCO“ A.D. VRANJE

Sales Code: BIV 04/09

1. The subject of sale

The subject of sale are the following assets:

- I) 100% of share of Holding Company "Yumco" A.D., Vranje (hereinafter **HK PK "Yumco" A.D. Vranje**, or „**Seller**“) in the Company for production and sales of mineral water and refreshment beverages „Bivoda“ d.o.o. Rakovac (hereinafter: „**Subject of sale**“), which is constituted of 100% of total equity of Subject of sale, and
- II) part of assets in ownership of HK PK "Yumco" A.D., Vranje, used by the Subject of sale, including:
 - A) rights on immovable assets registered in competent registries of immovable property that belong to **HK PK "Yumco" A.D. Vranje**, including:
 - a) **Buildings:**
 1. right of ownership on the plant - building No. 1, on Cadastre lot 2568, Cadastre Municipality Rakovac, total area of 15.116 m²;
 2. right of ownership on the fuel tank (furnace) – building No. 2. Cadastre lot 2568, Cadastre Municipality Rakovac, total area of 291 m²;
 3. right of ownership on the fuel pump (fuel station) – building No. 3. Cadastre lot 2568, Cadastre Municipality Rakovac – total area of 12 m².
 4. off – book ownership on the roads in the factory premises Cadastre lots 2568 and 2577/2, Cadastre Municipality Rakovac, total area of 5.100 m², and
 5. off – book ownership on 19 objects in the factory premises on Cadastre lots 2568 and 2577/2, Cadastre Municipality Rakovac, overview given in Sales documentation.
 - b) **Land:**
 1. right of ownership on Cadastre lots 2561, 2562/4, 2564/3, 2568, 2577/2, and 2589/1, Cadastre Municipality Rakovac – total area of 52.059 m²;
 2. right of ownership on Cadastre lot 2562/1 with ½ of share, Cadastre Municipality Rakovac – total area of 1.142 m²;
 3. off – book right of ownership on Cadastre lot 2562/3 and ½ of ideal part on Cadastre lot 2562/1, Cadastre Municipality Rakovac, total area of 3.874 m², based on legally – binding court decisions , and

4. off – book ownership on Cadastre lots 2564/1, 2564/2, 2589/4, 2589/5, – total area of 15.682 m², ongoing processes for assertion based on sales – purchase agreements.

B) movable assets given in the Sales documentation.

Immovable property, buildings and lots are offered for sale on “as it is” basis, without possibility for subsequent shortage claims.

The Privatization Agency sells the relevant property that is Subject of sale in the name of, and for the Seller, based on Contract on agency that is signed with the Seller according to the positive laws of Republic of Serbia which define these types of transactions.

2. Information on the Subject of sale:

Address: Rakovac bb, Rakovac

Phone: +381 17 654 390

Fax: +381 17 651 266

The main activity: Production of mineral water

Registered for export - import operations and services in export – import transactions.

3. A bid may be submitted by:

A) Potential bidder that fulfills the following requirements:

- It has purchased the Sales Documents,
- It has signed the Confidentiality Agreement, and
- It fulfills one of the following conditions:
 - a) It has been engaged in the activity of production and bottling of mineral water and refreshment beverages for at least the last 3 years continually, and it achieved operating revenues of at least EUR 4,000,000 (Euro four million) in 2007; or
 - b) or it is an investor that achieved operating revenues in excess of EUR 10,000,000 (Euro ten million) in 2007.

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 Sales 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 Sales 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, provided that one consortium member must have at least 51.00% of 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 a Confidentiality Agreement;
- At least one of the consortium members has purchased the Sales Documents;
- Consortium Leader fulfills one of the following requirements:

- a) It has been engaged in the activity of production and bottling of mineral water and refreshment beverages for at least the last 3 years continually, and it achieved operating revenues of at least EUR 4,000,000 (Euro four million) in 2007; or
- b) or it is an investor that achieved operating revenues in excess of EUR 10,000,000 (Euro ten million) in 2007.

4. Other special conditions:

If a Bidder is a foreign legal entity or a Consortium that fulfills the conditions from article 3. Of Public announcement, and it cannot be a buyer of the Subject of Sale, according to the article 1 of the Law on agricultural land, the buyer can be a local subsidiary, under condition that Company has a seat in Republic of Serbia and that it operates with 100% equity owned by the foreign legal entity or a Consortium which fulfills the conditions set under article 3 of this Public announcement, and that foreign legal entity or a Consortium be a guarantee for fulfillment of liabilities of the buyer from the Sales – Purchase agreement of the Subject of Sale.

5. Sales Documents

Details on the Subject of Sale, Information Memorandum and other details with a list of assets which is a subject of sale, Instructions to Bidders and draft of Sales – Purchase Agreement are integral part of Sales Documentation and will be available to all interested parties in the process of collection of written bids after they sign a Confidentiality Agreement and evidence of payment of the Sales Documents Fee.

The Sales Documents Fee is EUR 4,000 (Euro four thousand).

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

The Sales Documents will be available to interested parties from **March 09th 2009**.

The Agency is hereby inviting all parties interested in participating in the process to submit a written request for the purchase of the Sales Documents for the Entity undergoing privatization, by **April 17th 2009**.

A written request for purchasing the Sales Documents should be sent to Consultant by post, e-mail or facsimile to the address below, with clearly displayed reference "Request for purchasing the Sales Documents – **Sales code BIV 04/09**".

Upon receipt of the request, an invoice for payment of the Sales Documents Fee, as well as the Confidentiality Agreement for signature, will be delivered to the 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 person that signed the Confidentiality Agreement and evidence of payment of the Sales Documents Fee, the Consultant will immediately forward the relevant Sales Documents to the Sales 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. Bid submission

The deadline for submission of the final binding offers for acquisition of Subject of Sale by interested bidders is **April 30th 2009**, at **16:30h** (Belgrade time).

If necessary, the Agency reserves the right to amend or change the deadlines and conditions of the Public Invitation.

7. Bid bond

As a prerequisite for submitting a bid, it is necessary to pay a deposit or submit a Bid Bond in the amount of **EUR 50.000 (Euro fifty thousand)**.

8. Questions and additional information

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

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