

By virtue of Article 72 of the Law on Privatization ("Official Gazette of the Republic of Serbia", no. 38/01 and 18/03) and Article 9 of the Law on Share Fund ("Official Gazette of the Republic of Serbia", no. 38/01), The Privatization Agency and the Share Fund hereby issue:

PUBLIC INVITATION

to all individual shareholders in **VODA VRNJCI A.D., VRNJACKA BANJA**, to join their shares for sale together with the shares from the Share Fund portfolio, in order to be sold as majority share package by method of public offer.

- **name and registered seat of the company whose shares are being joined:** VODA VRNJCI A.D., Vrnjačka Banja
- **Number of shares in SF:** 34.469 shares representing 30,03% of total capital
- **Number of shares owned by PIO fund:** 11.480 shares representing 10,00% of total capital
- **Total of shares owned by SF and PIO fund:** 45.949 shares representing 40,03% of total capital
- **amount of the minimal price per share to be offered publicly by the Privatization Agency and the Share Fund after the merge: 10.300,00 CSD**
- **Investment Program:**
 - Potential investor commits to invest, in the first year after acquisition of shares, in equipment and technology used for the company's main activity, as well as in logistics and marketing of the company, in the amount of at least 10 million Euros, CSD equivalent.
- **Social Program:**
 - Potential Investor commits that, in the first year after the acquisition of shares, it shall not lay-off employees, which are on the company pay roll at the moment of the publishing of this Public Invitation, for the reasons of redundancy. All severance payments (in the case of voluntary leave) are in any case subject to negotiations with the Company's representative Trade Union.
 - Potential Investor commits to maintain the salary levels in the first year after acquisition of shares at the real levels.
 - The new owner must continue to observe all other social rights, which the employees have acquired before the moment when this Public Invitation was published, unless it is agreed differently with the Company's representative Trade Union.
 - Potential Investor commits to launch a bonus scheme linked with profit after tax, in the year immediately after acquisition of shares. This scheme shall be limited to a maximum of 5% of profit after tax.
- **manner of submitting the sale order:** every shareholder may submit an order to a broker who is a member of the Central Securities Register, with the obligation of the stock brokers to join their orders with the shares in the Share Fund in the procedure of joint sale by method of public offer which will be carried out by the Privatization Agency and the Share Fund.

- **conditions for submitting the sale order:**
 - each order must fulfill the condition of minimum price
 - it should contain a written statement stating that the order shall not be withdrawn during the sale procedure by method of public offer, but no longer then 90 days from the publishing of this Public Invitation
 - it should contain an order to the broker to deposit shares to the securities deposit account of the offer, which is accepted by the Agency and the Share Fund
- Stock brokers may register collected orders in the Share Fund no later then 21 days from the publishing date of this Public Invitation
- The Privatization Agency and the Share Fund will publicly announce which offer was accepted, and inform all brokers who submitted the information on joining shares with the Share Fund
- Requirements from this Public Invitation will be the subject of the public offer should by this Public Offer a majority share package is formed

For further information, all interested parties may contact the Project Manager:

Miša Petrović

address: Trg Nikole Pašića 5/VII, 11000 Belgrade, Serbia

phone: (+381 11) 3020 800 extension 722; fax: (+381 11) 3020 828

e-mail: mpetrovic@priv.yu