

According to the Decision of the Board of Directors of the Topionica i rafinacija bakra Bor d.o.o. u restrukturiranju no. 37/1 dated 18 February 2006 and the Agreement on Power of Attorney no. II, Cert.no. 3042/06 dated 22 December 2006, concluded between the Topionica i rafinacija bakra Bor d.o.o. u restrukturiranju and the Privatization Agency,

Privatization Agency of the Republic of Serbia announces:

PUBLIC INVITATION

FOR PARTICIPATION IN THE PUBLIC BIDDING FOR

PURCHASE OF A PART OF ASSETS of the Društvo sa ograničenom odgovornošću, Topionica i rafinacija bakra Bor, d.o.o. u restrukturiranju – Copper smelting and refining plant Bor, Llc. in restructuring,

i.e.

Fabrika soli, metala i galvanskih proizvoda (Salt, metal and electroplated products plant)

«AS FOUND»

Sales Code: 130207-P-1852

1. Subject of Public Sale:

Subject of sale are the immovable and movable assets owned by the **Društvo sa ograničenom odgovornošću, Topionica i rafinacija bakra Bor d.o.o. u restrukturiranju**, i.e. **Fabrika soli, metala i galvanskih proizvoda (Salt, metal and electroplated products plant)**, which are construction facilities comprising the land area of 2.83.08 m², which are placed on the Cadastral parcel no. 4214, inscribed in the Register of tenure holders no. 3988 with the Cadstral Municipality of Bor with fabrication and secondary equipment and installations, in accordance with the content set out in the selling documents. The immovable assets of subject comprise the total area of 1842 m² and consist of production plant, warehouses, compressor facility, power substation, cooling tower, porter's lodge and tank.

The stipulated assets are offered for sale as found, without possibility for further complaints.

Mandatory requirements of the Public Sale:

The initial price at the Public Bidding amounts to **USD 788.100,00**.

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 a declared buyer is a domestic legal entity or individual, it can pay the Sales-Purchase price in the RSD counter-value, 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:

- have purchased the Bidding documents;
- have signed the Agreement on Keeping the Confidential Information;
- have submitted the Application for participation in the Public Sale;
- have paid in the deposit for participation in the Public Bidding at the amount of **USD 236.430,00**, which can also be paid in the RSD counter-value, calculated according to the official intermediate exchange rate of the NBS, current on the announcing date of the Public Invitation or have submitted the Bid Bond at the amount of **USD 236.430,00** along with the Application for participation in the Public Bidding, which can also be paid in the RSD counter-value, calculated according to the official intermediate exchange rate of the NBS, current on the announcing date of the Public Invitation for participation in the Public Bidding, and
- have 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 the Consortium (hereinafter: the Authorized Representative of the Consortium) to act on behalf of and for the account of the Consortium. Through the Consortium Agreement it has to be specified 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 Sale
- Draft SPA for sale of assets
- Rules of the Public Bidding procedure – Instructions to Bidders
- Relevant documents related to property and legal matters
- Duplicate of the Public Invitation for participation in the Public bidding

Those who are interested may purchase selling documents at the price of **RSD 40.000,00** without VAT.

After 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 to be returned.

The selling documents are available to interested parties commencing with 27 December 2006 until 29 December 2006 and from 08 January 2007 until 05 February 2007, on working days from 09:00 by 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 site visit schedule will be determined in accordance with the Rules of the Public Bidding procedure – Instructions to Bidders.

Contact person:

Vuk Perić

Public Auction Center

Tel: +381 11 30 20 895; +381 11 30 20 803; +381 11 30 20 842

Fax: +381 11 3029 985

E-mail: vperic@priv.yu

More information on the Subject of sale is available on the web-site:

www.priv.yu

Submission of Applications for participation in the Public Bidding:

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

Auction Sale Code: **130207-P-1852**

APPLICATION FOR PARTICIPATION IN THE PUBLIC BIDDING

Privatization Agency of the Republic of Serbia

23/V Terazije St, Belgrade

The deadline for the Application submission for participation in the Public Bidding expires on 06 February 2007, at 17:00.

Application for participation in the Public Bidding is to be filled out in a separate form, which is the integral part of the Bidding documents. Along with the Application for participation in the Public Bidding, it is necessary to submit the signed and on each page initialed Draft SPA and the Deposit payment evidence, i.e. the Bid Bond.

Incomplete and belated Applications shall not be taken into consideration.

The Commission for the Public Sale implementation will inform Bidders on approval of their Applications at the latest until one working day prior to the date of performance of the Public Bidding

The parties, which Applications for participation in the Public Bidding have been approved, but which have failed to register, lose the right to be returned the deposit, i.e. the Bid Bond. The right to be returned the deposit, i.e. the Bid Bond, will lose also those parties, which have registered for the Public Bidding, but have failed to participate.

Public Bidding performance:

Public Bidding for the purpose of the Public Sale will be held on 13 February 2007, with the beginning at 14:00, at the address: Privatization Agency, Belgrade, 23 Terazije St, 2nd floor, Large Hall.

Registration of participants in the Public Bidding will be held on **13 February 2007**, at the same address in period from 12:30 - 13:50.

The method of the Public Bidding performance is described into detail in the Instructions to Bidders.

The deposit, i.e. the Bid Bond, is to be returned to the participants which have not been declared a buyer, within 10 working days from the date of the Public Sale closing, save to the participant, which has bid the second-ranked offer in the course of the Public Bidding procedure.

Conclusion of the Sales-Purchase Agreement on sale of assets:

Text of the Draft SPA on sale of assets is not susceptible to change.

A participant, which has been the first to bid the best offer in the course of the Public Bidding procedure and has been declared a buyer, will sign the SPA on sale of assets with the seller.

A participant, which has been the first to bid the best offer in the course of the Public Bidding procedure, and has submitted to the Agency the Bid Bond along with the Application for participation, as a means of the deposit payment guarantee, has the obligation to pay in the deposit amount to the Agency's account, not later than two days from the date of the Public Bidding performance.

If a declared buyer refuses to sign the Minutes on the Public Bidding or the SPA on sale of assets or fails to pay the Sales-Purchase price within the determined deadline, it will lose the right to be returned the deposit, i.e. the Bid Bond is to be charged.

In the event that a declared buyer refuses to sign the Minutes on the Public Bidding or the SPA on sale of assets or does not pay the Sales-Purchase price within the determined deadline, but there have been other bids, the SPA on sale of assets is to be concluded with the participant, which has bid the second-ranked offer at the price, offered by that participant.

If a participant, which has bid the second-ranked offer in the course of the Public Bidding procedure, refuses to sign the Minutes or the SPA on sale of assets or does not pay the Sales-Purchase price within the determined deadline, it will lose the right to be returned the deposit, i.e. the Bid Bond is to be charged.

Right on correction of the Public Invitation:

Privatization Agency and Društvo sa ograničenom odgovornošću, Topionica i rafinacija bakra Bor d.o.o. u restrukturiranju keep the right to change dates, deadlines and/or conditions set out in this Public Invitation, and do not bear any responsibility for possible costs or damages, which such corrections may cause to prospective participants in the Public Bidding.

The Privatization Agency will inform prospective participants on corrections of the Public Invitation at the latest until the Public Bidding date.