

In accordance with the Article 28 of the Law on Privatization ("Official Gazette of the Republic of Serbia" nos. 38/2001, 18/2003, 45/2005 and 123/2007), the Conclusion of the Government of the Republic of Serbia 05 no. 023-5960/2005 dated September 29th 2005 and the Power of Attorney Agreement concluded between Development Fund of the Republic of Serbia and Privatization Agency no 1-1267/05 dated October 25th 2005

PRIVATIZATION AGENCY OF THE REPUBLIC OF SERBIA

(hereinafter: "the Agency")
hereby announces:

PUBLIC INVITATION

for participation in the Public Tender for the acquisition of 100% of the total registered capital in:

SOCIALLY OWNED COMPANY "GLASS COMPANY PANCEVO" in restructuring, Pancevo

(hereinafter "Entity undergoing privatization")

Tender Code: **ISP 30/08**

1. The total registered capital of the Entity undergoing privatization consists of socially-owned capital representing 81.29% of the total capital, state-owned capital representing 14.82% of the total capital, and the capital of Development Fund of the Republic of Serbia representing 3.89% of the total capital of the Entity undergoing privatization.
2. The Agency is hereby jointly offering for sale 100% of the socially owned capital, amounting to 81.29% of the total capital, 100% of the Government of Serbia capital contribution, amounting to 14.82% of the total capital, and 100% of the capital owned by Development Fund of the Republic of Serbia, amounting to 3.89% of the total capital of the Entity undergoing privatization.
3. Details about the Entity undergoing privatization:

Address:	10, Prvomajska Street, Pancevo, Republic of Serbia
Web address:	www.isp.co.yu
ID number:	08005907
Phone:	+381 13 352 636
Fax:	+381 13 347 153
Activity:	26120 - Shaping and processing of the flat glass

More information on the Entity undergoing privatization is available on the web address:

http://www.priv.yu/pregled_preduzeca/pdf/e-teaser_132.pdf

Detailed information on the Entity undergoing privatization, together with the Instructions to Bidders (hereinafter: "Tender Documents"), will be available to all interested tender participants upon signing of the Confidentiality Agreement and after the payment of the Tender Documents fee.

Tender Documents fee is EUR 8,000 (eight thousand euro).

The Agency has appointed **Economics institute jsc**, Belgrade, to act as advisor in this privatization procedure (hereinafter: "Advisor").

4. A bid may be submitted by:

A. A potential Bidder who fulfils the following requirements:

- It has purchased the Tender Documents **and**
- fulfils at least one of the following requirements:

either

- a) it has been engaged in the production and/or processing and/or trade of glass and/or glass products for at least the last 3 (three) business years in continuity, and generated operating revenues in the amount of minimum EUR 4,000,000.00 (four million euro) in 2007

or

- b) it is a financial investor (a legal entity whose core activity is money investment, which exist for at least the last 3 business years, and comprises investment companies, mutual funds, insurance companies, pension funds and investment banks), with total assets in excess of EUR 20,000,000 (twenty million euro) in 2007;

or

- c) it is an investor who realized operating revenues in excess of EUR 8,000,000 (eight million euros) in 2007.

If the interested bidder is a parent company which does not meet the requirements from this clause of the Public Invitation, its subsidiary has the right to submit a bid, if it fulfils the stated requirements. The subsidiary also has the right to submit a bid if the parent company has purchased the Tender Documents.

If the interested bidder is a subsidiary that does not meet the requirements from this clause of the Public Invitation, the parent company has the right to submit a bid, if it fulfils the stated requirements. The parent company also has the right to submit a bid if its subsidiary has purchased the Tender Documents.

B. If an interested bidder is a Consortium, it is necessary that it fulfils cumulatively the following requirements:

- All members of the Consortium have made a decision on organizing and entering the Consortium;
- Consortium members have signed a written Consortium Agreement and certified it in the Court or any other competent body (in the case of foreign legal entities and individuals);
- Each Consortium member assumes unlimited joint and several liability by the provisions of the Consortium Agreement;
- Consortium Agreement specifies each member's percentage in the acquisition of the capital of the Entity undergoing privatization, provided that one consortium member must have no less than 51% share in the consortium (hereinafter: Consortium Leader);
- All Consortium members have signed a notarized Power of Attorney for the member of the Consortium who acts as the Consortium representative;
- All members of the Consortium have signed the Confidentiality Agreement;
- At least one of the Consortium members has purchased the Tender Documents;
- Consortium Leader individually fulfills at least one of the following requirements:

either

- a) it has been engaged in the production and/or processing and/or trade of glass and/or glass products for at least the last 3 (three) business years in continuity, and generated operating revenues in the amount of minimum EUR 4,000,000.00 (four million euro) in 2007

or

- b) it is a financial investor (a legal entity whose core activity is money investment, which exist for at least the last 3 business years, and comprises investment companies, mutual funds, insurance

- companies, pension funds and investment banks), with total assets in excess of EUR 20,000,000 (twenty million euro) in 2007;
- or
- c) it is an investor who realized operating revenues in excess of EUR 8,000,000 (eight million euros) in 2007.
5. The Agency is hereby inviting all parties interested in participation in the tender to submit a written request for the purchase of the Tender Documents for the Entity undergoing privatization by **November 28th 2008.**

Tender Documents will be available to interested parties from October 13th, 2008.

Written requests for the purchase of the Tender Documents shall be submitted to the Advisor by mail, e-mail or fax, clearly marked as "Request for the purchase of the Tender Documents – Tender Code: **ISP 30/08**".

Upon the receipt of the request, an invoice for the payment of the Tender Documents fee and Confidentiality Agreement for signature shall be forwarded to the authorized representative of the applicant by mail, e-mail or fax. Signed Confidentiality Agreement shall be immediately faxed and mailed back to the Advisor to the address stated below.

Upon the receipt of the signed Confidentiality Agreement, proof of authorizations of the party that signed the Confidentiality Agreement and the evidence of payment of the Tender Documents fee, the Advisor shall, without any delay, send the Tender Documents to the tender participant by mail or e-mail, or hand it to its authorized representative.

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

6. The deadline for submission of the final binding bids for acquisition of 100% of the total capital of the Entity undergoing privatization by interested bidders is **December 19th 2008, until 16:30 hours (Belgrade time).**

The Agency reserves the right to amend any and all elements, i.e. the conditions and the deadlines from this Public Invitation, if necessary.

As a prerequisite for bid submission, it is necessary to pay a deposit or to submit the Bid Bond in the amount of EUR 50,000 (fifty thousand euro).

7. All communication or inquiries related to this Public Invitation should be directed to the contact persons at the addresses below:

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