

In accordance with Article 28 of the Law on Privatization (as published in the Official Gazette of the Republic of Serbia No. 38/2001 and 18/2003), **the Privatization Agency of the Republic of Serbia** (“hereinafter “Agency”) hereby issues a:

PUBLIC INVITATION

for participation in a Tender Process for the acquisition of a controlling interest in:

Društveno Preduzeće “Fabrika Ulja”, Kruševac

Tender Code: FAU07/03

1. Total registered capital of Društveno Preduzeće “Fabrika Ulja”, Kruševac (hereinafter “Fabrika Ulja” or the “Company”) is 100% socially owned.

The Agency is offering for sale 70% of the socially owned capital of Fabrika Ulja.

2. Details about the Company

Address: Jastrebaška 14, 37000 Kruševac, Serbia and Montenegro

Phone Number: +381 37 428 437

Fax Number: + 381 37 22 975

Industry: Production of edible oil and fats

Tender Code: FAU07/03

Basic data about the Company is available at:

http://www.priv.yu/pregled_preduzeca/pdf/teaser_10097.pdf

Detailed information about the Company, along with the Information Memorandum (hereinafter “the Tender Documents”), will be made available to all buyers of the Tender Documents upon payment of the Tender Documents Fee in the amount of USD 5,000 (five thousand US Dollars) plus USD 1,000 (one thousand US Dollars) for sales tax.

3. The PA has appointed **Raiffeisen Investment AG, Austria** to act as the advisor in the privatization procedure (hereinafter: “Advisor”).
4. A bid may be submitted by a potential Buyer that fulfils the following requirements:
 - Has purchased the tender documents; and
 - Has been engaged in production, and/or processing, and/or trade of agricultural and/or food products.

If the potential Buyer is a Parent company that does not fulfill the requirements from this clause of the Public Invitation, its subsidiary has the right to submit a bid, if it fulfils the requirements.

The Subsidiary may submit a bid if the Parent company has purchased the Tender Documents.

If the potential Buyer is a subsidiary that does not meet the requirements referred to by this clause of the Public Invitation, the Parent company has the right to submit a bid, if it fulfils the requirements.

The Parent company may submit a bid if its Subsidiary has purchased the Tender Documents.

If the potential Buyer is a consortium, the following requirements should be fulfilled:

- All Consortium members have signed a Consortium Agreement and have notarized it in the Court;
 - All Consortium members have made the decision on organizing and entering the Consortium;
 - Each member of the Consortium assumes an unlimited joint and several liability;
 - The Consortium Agreement specifies each member's percentage in the acquired company's capital hereby offered for sale;
 - All Consortium members have signed a Power of Attorney for the representing member of the Consortium and had it court authenticated;
 - All Consortium members have signed a Confidentiality Agreement;
 - At least one of the Consortium members has purchased the Tender Documents;
 - At least one of the Consortium members has been engaged in production, and/or processing and/or trade of agricultural and/or food products;
 - At least one Consortium member has provided the Bid Bond for participating in the Public Tender in the amount of **EUR 50,000 (fifty thousand Euros)**.
5. The Agency hereby invites all interested parties to submit a written request for the purchase of the Tender Documents for the Company by **January 30th, 2004**. The Tender Documents shall be available to interested parties starting from **December 22nd, 2003**.

The request for purchasing the Tender Documents shall be submitted to the Advisor by mail to one of the addresses stated below, or by e-mail or facsimile, and shall clearly display the reference "Request for the purchase of Tender Documents – Tender Code **FAU07/03**".

Upon receiving the request, an invoice for payment of the Tender Documents Fee shall be forwarded to the authorized representative by the Privatization Agency. Upon the payment of the Tender Documents Fee, the Confidentiality Agreement shall be sent to duly authorized representative for signature, by mail, e-mail or facsimile. Signed Confidentiality Agreement shall be immediately faxed and mailed back to the Advisor at the addresses below.

6. Upon receipt of the signed Confidentiality Agreement and evidence of payment of the Tender Documents Fee, The Advisor shall immediately send the relevant Tender Documents to the Tender Participant by mail or e-mail, or hand it to the authorized representative.

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

7. The deadline for submission of the bids for acquisition of the capital is **February 16th, 2004, at 17:00 hours (Belgrade time) at the premises of the Privatization Agency, Terazije 23, 11000 Belgrade, Serbia**.

8. The Agency reserves the right to amend the requirements and the deadlines from the Public Invitation, if necessary.
9. The Bid bond for participating in the Public Tender is **EUR 50,000 (fifty thousand Euros)**.
10. All communications or inquiries relating to this Invitation should be directed to the Advisor at the address below:

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