

Pursuant to the Articles 28, 69 paragraph 3, 70 and 72 of the Law on Privatization (Official Gazette of RS, no. 38/2001, 18/2003 and 45/2005), Article 9 of the Law on the Privatization Agency (Official Gazette RS, no. 38/2001 and 135/2004) and Articles 9 and 10 of the Law on the Share Fund (Official Gazette RS, no 38/2001 and 45/2005), the Privatization Agency (hereinafter: Agency) announces :

## **PUBLIC INVITATION**

**for participation in the Public Tender for sale of 272,249 shares with CFI code: ESVUFR; ISIN number: RSFRACE56002 with nominal value of RSD 600.00 (hereinafter: the Block of Shares) owned by the Share Fund and PIO fund, representing 50.11597% of the total capital of the Company**

### **“FABRIKA REZNOG ALATA”**

**Joint Stock Company, Cacak, 37 Hajduk Veljkova Street  
(hereinafter: Company)**

Tender Code: **FRA\_34/07**

1. Total registered capital of the Company consists of 40.32505% of the capital held by the Share Fund of the Republic of Serbia, 9.79092% of the capital held by Pension and Disability Insurance Fund and 49.88403% of the capital held by individual shareholders (natural persons).
2. The Agency is offering for sale the Block of Shares with CFI code: ESVUFR; ISIN number: RSFRACE56002 with nominal value of RSD 600.00, of which 219,061 shares, i.e. 40.32505% is held by the Share Fund of the Republic of Serbia and 53,188 shares, i.e. 9.79092% of the capital is held by Pension and Disability Insurance Fund, aggregately representing 272,249 shares, i.e. 50.11597% of total capital of the Company.
  - 2.a. **The Bidder is obliged to offer the price per share for all shares of the Company, considering that upon signing of the Agreement for Sale and Purchase of the Block of Shares, the Share Fund shall invite all remaining individual shareholders to join their shares with the shares in the portfolio of the Share Fund and PIO Fund (i.e. Block of Shares), for the purpose of sale.**

**3. Information about the Company:**

Registered seat: 37 Hajduk Veljkova Street, 32000 Cacak, Republic of Serbia  
Telephone: (+381 32) 222-780  
Telefax: (+381 32) 224-442

Core business activity: Production of tools

More information about the Company available on Internet address:

[http://www.priv.yu/pregled\\_preduzeca/pdf/e-teaser\\_10129.pdf](http://www.priv.yu/pregled_preduzeca/pdf/e-teaser_10129.pdf)

More details about the Company as well as Information Memorandum (hereinafter: the Tender Documentation) shall be available to all interested Tender Participants upon signing Confidentiality Agreement and payment of the Tender Documents Fee.

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

Privatization Agency has appointed Dil Inženjering Konsalting d.o.o. Beograd, to act as the Advisor in this process (hereinafter: the Advisor).

4. A bid may be submitted by:

**A.** Interested bidder that fulfills the following requirements:

- It has purchased the Tender Documents and
- It fulfils the following condition:

a) Its core operating activity is production and/or trade of tool machines and/or tools, and it has been engaged in this activity for at least the last 3 (three) consecutive business years, and generated operating income of at least EUR 7,000,000 (Euro seven million) in 2006.

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 that fulfils the above stated requirements also has the right to submit a bid if the parent company has purchased the Tender 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 that fulfils the above stated requirements also has the right to submit a bid if the subsidiary has purchased the Tender Documents.

**B.** If a potential bidder is a Consortium it must cumulatively fulfill the following requirements:

- All consortium members made a Decision on forming and entering 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 unlimited joint and several liability under the Consortium Agreement;
- Consortium Agreement specifies each member's percentage in acquisition of the Block of Shares of the Company,
- 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 Tender Documents and
- The Consortium member with at least 30% share in /consortium fulfills the following condition:

a) Its core operating activity is production and/or trade of tool machines and/or tools, and it has been engaged in this activity for at least the last 3 (three) consecutive business years, and generated operating income of at least EUR 7,000,000 (Euro seven million) in 2006.

5. The Agency hereby invites all parties interested in participating in the tender to submit a written request for the purchase of the Tender Documents for the Company by **January 25, 2008 at 16.30** hours (Belgrade time).

**The Tender Documents will be available to interested parties from December 10, 2007.**

A written request for purchasing the Tender Documents shall be sent to the Advisor by mail, e-mail or facsimile, with clearly displayed reference "Request for purchasing the Tender Documents – Tender Code: **FRA\_34/07**".

Upon receipt of the request, an invoice for payment of the Tender Documents Fee, as well as the Confidentiality Agreement for signature, will be delivered to the applicant's authorized representative by mail, e-mail or facsimile. The signed Confidentiality Agreement shall be immediately faxed and mailed back to the Advisor at the address stated below.

Upon receipt of the signed Confidentiality Agreement, evidence of authorization for the person that signed the Confidentiality Agreement, and evidence of payment of the Tender Documents Fee, the Advisor shall forward the relevant Tender Documents to the Tender Participant by mail/e-mail or hand it to its authorized representative, after expiry of the deadline set out in paragraph 2 of this Clause.

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

6. The deadline for submission of the final binding offers for acquisition of 50.11597% of the total capital of the by interested bidders is **February 8, 2008, by 16:30h** (Belgrade time).

If necessary, the Agency reserves the right to amend or change any and all conditions, i.e. deadlines set out in this Public Invitation.

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 (fifty thousand).

7. All questions relating to this Public Invitation should be directed to contact persons to the address below, in the Serbian or English.

<p><b>Dil Inženjering Konsalting d.o.o.</b> Miročka 1 11000 Belgrade Republic of Serbia</p> <p><b>Goran Luković, Director</b> Phone: +381 11 32 31 534 Fax: +381 11 32 31 534 E-mail: <a href="mailto:dil@eunet.yu">dil@eunet.yu</a></p>	<p><b>Privatization Agency Republic of Serbia</b> Terazije 23 11000 Belgrade Republic of Serbia</p> <p><b>Saša Aleksić, Project Manager</b> Corporate Restructuring and Public Tender Center Phone: +381 11 30 20 855 Fax: +381 11 30 20 816 E-mail: <a href="mailto:saleksic@priv.yu">saleksic@priv.yu</a></p>
--	---