

Based on Article 28 of the Law on Privatization ("Official Gazette of the Republic of Serbia" nos. 38/2001, 18/2003, and 45/2005), Conclusion of the Government of the Republic of Serbia 05 No. 023-5960/2005 dated September 29, 2005, and the Procurement Agreement between the Development fund of the Republic of Serbia and the Privatization Agency No. 1-1267/05 dated October 25, 2005

Privatization Agency Republic of Serbia

(hereinafter: "the Agency")

hereby announces:

PUBLIC INVITATION

For participation in the Public Tender for sale of 100% of total registered capital of

Drustveno preduzece "Industrija stakla Pancevo – u resturkturiranju", Pancevo
(hereinafter: Entity undergoing privatization)

Tender Code: **ISP23/07**

1. The total registered capital of the Entity undergoing privatization consists of 81.29% socially owned capital and 14.82% state owned capital, and 3.89% capital owned by Development Fund of the Republic of Serbia.
2. The Agency, within a joint tender, is offering for sale 100% of the socially owned capital, representing 81.29% of the total capital; 100% stake of the Republic of Serbia – Government of the Republic of Serbia, representing 14.82% of the total capital, and 100% stake of the Development Fund of the Republic of Serbia, representing 3.89% of the total capital of the Entity undergoing privatization.
3. Details about the Entity undergoing privatization:
Address: Prvomajska 10, Pancevo, Serbia
Web site: www.isp.co.yu
Phone: +381 13 352 636
Fax: +381 13 347 153
Activity: 26110 - Flat glass manufacturing

More details on the Entity undergoing privatization is available at:

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

Detailed information about the Entity undergoing privatization, along with the Instructions to Bidders (hereinafter "Tender Documents"), will be made available to all interested parties upon signing of the Confidentiality Agreement and payment of the Tender Documents Fee.

The Tender Documents Fee is EUR 6,000 (Euro six thousand).

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) Interested bidder that fulfils the following requirements:

- It has purchased the Tender Documents; and
 - It fulfils at least one of the following requirements:
 - a) it has been engaged in production and/or processing and/or trade of glass and/or glass products for at least the last 3 (three) consecutive business years, and achieved operating revenues of at least EUR 10,000,000 (Euro ten million) in 2006;
- or**
- b) is a financial investor (a legal entity whose core activity is investing money, which exists at least the last 3 business years and includes investment companies, mutual funds, insurance companies, pension funds, and investment banks) with total assets in excess of EUR 100,000,000 (Euro one hundred million) in 2006;
- or**
- c) is an investor who achieved operating revenue in excess of EUR 50,000,000 (Euro fifty million) in 2006;

If the interested bidder is a parent company that 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 requirements. The subsidiary that fulfils the above stated requirements also has the right to submit a bid if the parent company 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 requirements. The parent company that fulfils the above stated requirements also has the right to submit a bid if its Subsidiary purchased the Tender Documents.

- B) If an interested bidder is a Consortium, it is necessary that it fulfils cumulatively the following requirements:
- All Consortium members have made the decision on organizing and entering the Consortium;
 - All Consortium members have concluded a written Consortium Agreement and notarized it in Court or other competent body (in case of foreign legal entities and individuals);
 - Each member of the Consortium assumes unlimited joint and several liability by provisions of the Consortium Agreement;
 - The Consortium Agreement specifies each member's percentage in the acquired capital of the Entity undergoing privatization, provided that one consortium member has at least 51% share in the Consortium (hereinafter: "Consortium Leader");
 - 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;
 - **The Consortium Leader fulfils at least one of the following requirements:**
 - a) it has been engaged in production and/or processing and/or trade of glass and/or glass products for at least the last 3 (three) consecutive business years, and achieved operating revenues of at least EUR 10,000,000 (Euro ten million) in 2006;

or

- b) is a financial investor (a legal entity whose core activity is investing money, which exists at least the last 3 business years and includes investment companies, mutual funds, insurance companies, pension funds, and investment banks) with total assets in excess of EUR 100,000,000 (Euro one hundred million) in 2006;

or

- c) is an investor who achieved operating revenue in excess of EUR 50,000,000 (Euro fifty million) in 2006;

5. The Agency hereby invites all interested parties to submit a written request for the purchase of the Tender Documents for the Entity undergoing privatization by **November 9, 2007**.

Tender Documents will be made available to the interested parties from October 15, 2007.

The request for purchasing the Tender Documents shall be submitted to the Advisor by mail, e-mail or facsimile, clearly marked with "Request for the purchase of Tender Documents – Tender Code **ISP23/07**".

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

Upon receipt of the signed Confidentiality Agreement, the proof of authorization for the person who signed the 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/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 the delivery of any document.

6. The deadline for submission of final binding bids for acquisition of 100% of the total the capital of the entity undergoing privatization is **December 14, 2007, at 16:30 hours (Belgrade time)**.

The Agency reserves the right to amend any and all elements, i.e. requirements and deadlines from the Public Invitation, if necessary. As a prerequisite for bid submission, it is necessary to pay a deposit or to submit a Bid Bond in the amount of **EUR 50.000** (Euro fifty thousand).

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

Aleksandar Velkovski
Project Manager

Privatization Agency
Terazije 23
11000 Belgrade
Republic of Serbia
Tel: +381 11 3029 911
Fax: +381 11 3020 816
E-mail: avelkovski@priv.yu

Milan Mekic
Project Manager

Economics Institute
Kralja Milana street 16
11000 Belgrade
Republic of Serbia
Tel: +381 11 3613 417
Fax: +381 11 3613 448
E-mail: mmekic@ecinst.org.yu