

In accordance with Article 28 of the Law on Privatization (as published in the Official Gazette of the Republic of Serbia Nos. 38/2001 and 18/2003), **the Privatization Agency of the Republic of Serbia** (hereinafter: "Agency") hereby announces a:

PUBLIC INVITATION

For participation in a public tender process
for the acquisition of a controlling interest in:

Kopaonik d.o.o., Kursumlija

Tender Code: KOP11/03

1. Total registered capital of the Company is 756,214,000.00 Yugoslav Dinars, of which socially owned capital is 710,264,525.35 Yugoslav Dinars, and the Government capital contribution is 45,949,474.65 Yugoslav Dinars.

The Agency is offering for sale 70% of socially owned capital and 100% of the Government capital contribution of Kopaonik d.o.o. Kursumlija (hereinafter: "Company").

2. Details about the Company:

Address: Kosovska 67, Kursumlija, Serbia and Montenegro
Phone Number: +381 27 381 135
Fax Number: +381 27 381 135
Industry: Wood and timber products
Tender Code: KOP11/03

Basic data about the Company is available at

http://www.priv.yu/pregled_preduzeca/pdf/teaser_134.pdf

<http://www.mpriv.sr.gov.yu/scp/kursumlija.pdf>

Detailed information about the Company, along with the Information Memorandum and Instructions to Bidders (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 (US Dollars five thousand), plus USD 1.000 (US Dollars one thousand), for sales tax;

3. The Agency has appointed **N Más Uno Proyectos Internacionales SA** ("Nmás1") to act as the advisor in the privatization procedure (hereinafter: "Advisor").

4. A bid may be submitted by the potential Buyer that fulfils the following requirements:
- Has purchased the Tender Documents;
 - Has been engaged in manufacturing and/or distribution of **wood and timber products** for at least 3 (three) years;
 - Had minimum total revenues according to the latest available audited accounts of **10 (ten) Million US Dollars**; **OR** had minimum total assets according to the latest available audited accounts of **20 (twenty) Million US Dollars**

If the potential Buyer 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 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 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;
 - All Consortium members have signed Notarised 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;
 - At least one of the Consortium members has been engaged in production and/or distribution of **wood and timber products** for at least 3 years;
 - At least one of the Consortium members had minimum total revenues, according to the latest available audited accounts, of **10 (ten) Million US Dollars**; **OR** had minimum total assets according to the latest available audited accounts of **20 (twenty) Million US Dollars**
5. The Agency hereby invites all interested parties to submit a written request for the purchase of the Tender Documents for the Company by **May 30, 2003**. Tender Documents will be made available to interested parties starting from **April 21, 2003**.

The request for purchasing the Tender Documents shall be submitted to the Advisor by mail, to the addresses stated below, or by e-mail or facsimile, clearly marked with "Request for the purchase of Tender Documents – Tender Code KOP11/03".

Upon receiving the request, an invoice for payment of the Tender Documents Fee shall be forwarded, to the authorized representative, by the 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 to the addresses below.

6. Upon receipt of the signed Confidentiality Agreement and confirmation 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 the 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.

7. The deadline for submission of the bids for acquisition of the capital is **July 11th, 2003, at 17:00 hours (Belgrade time)**.
8. The Agency reserves the right to amend the requirements and the deadline from the Public Invitation, if necessary.
9. The Bid bond for participating in the Public Tender will be **USD 70,000 (US Dollars seventy thousand)**.
10. All communications or inquiries relating to this Invitation should be directed to the Advisor at the address below:

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