

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)

Privatization Agency,
(hereinafter: "the Agency")

hereby announces:

PUBLIC INVITATION

For participation in the Public Tender for sale of 70% of the socially owned capital of:

**Socially Owned Company for production of beverages, plastic packaging
and mineral water «HEBA» Bujanovac
Industrijska zona street bb**

(hereinafter: Entity undergoing privatization)

Tender Code: **HEB 10/08**

1. The total registered capital of the Entity undergoing privatization consists of 100% socially owned capital.
2. The Agency offers for sale 70% of the socially owned capital, i.e. 70% of the total registered capital of the Entity undergoing privatization.
3. Details about the Entity undergoing privatization:

Address: Industrijska zona street bb, Bujanovac, Republic of Serbia

Phone: (+38117) 652 020;

(+381 17) 651 112;

Fax: (+381 17) 652 020;

Activity: Production of beverages (activity code: 15982)

More details on the Entity undergoing privatization is available at:

http://www.priv.yu/pregled_preduzeca/pdf/e-teaser_137.pdf

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

The Tender Documents Fee is EUR 8.000,00 (Euro eight thousand).

The Agency has appointed the Consortium of companies: CES Mecon d.o.o. Belgrade and Law office Dražić, Beatović and partners, Belgrade, as advisor in this privatization procedure (hereinafter: Advisor).

4. A bid may be submitted by:

A. A potential bidder that fulfils the following requirements:

- it has purchased the Tender Documents and

- it fulfills at least one of the following requirements:

either

a) it has been engaged in production of mineral water for the last 3 operating years in continuity, and achieved operating revenues of at least EUR 20,000,000 (Euro twenty million) in 2007.

or

b) is a Financial Investor (a legal entity whose core business is investment of money that exists at least 3 years, and includes investment companies, mutual funds, insurance companies, pension funds, and investment banks) with total operating assets in excess of EUR 50,000,000 (Euro fifty million) in 2007.

or

c) is an investor that achieved operating revenues in excess of EUR 30,000,000 (Euro thirty million) in 2007.

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

If an 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 these requirements. The subsidiary that fulfils the above stated requirements may also submit a bid if the parent company has purchased the Tender Documents.

B. If an interested bidder is a Consortium, it is necessary that it fulfils 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 at the Court, or other competent body (in case of foreign legal entities and individuals).
- Each Consortium member assumes unlimited joint and several liability under the Consortium Agreement;
- The Consortium Agreement specifies each member's percentage in the acquisition of capital of the Entity undergoing privatization, provided that one Consortium member has at least 51% of the total share in 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 the Confidentiality Agreement;
- At least one of the Consortium members has purchased the Tender Documents;

- The Leader of the Consortium fulfills at least one of the following requirements:

either

a) it has been engaged in mineral water production for the last 3 operating years in continuity, and achieved total revenues of at least EUR 20,000,000 (Euro twenty million) in 2007.

or

b) is a Financial Investor (a legal entity whose core business is investment of money that exists at least 3 years, and includes investment companies, mutual funds, insurance companies, pension funds, and investment banks) with total operating assets in excess of EUR 50,000,000 (Euro fifty million) in 2007.

or

c) is an investor that achieved operating revenues in excess of EUR 30,000,000 (Euro thirty million) in 2007.

5. The Agency is hereby inviting all parties interested in participating in the tender to submit a written request for purchasing the Tender Documents for the Entity undergoing privatization by **May 30, 2008**.

Tender Documents will be made available to the interested parties from **May 12, 2008**.

A written request for purchasing the Tender Documents shall be submitted to the Advisor and the Agency at the address below, by mail, e-mail or facsimile, clearly marked with "Request for purchasing the Tender Documents – Tender Code: **HEB 10/08**".

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, evidence of the power of attorney for the person who signed the Confidentiality Agreement, and evidence of payment of the Tender Documents Fee, the Advisor shall 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 binding offers for acquisition of 70% of the total registered capital of the Entity undergoing privatization by interested bidders is **June 30, 2008, by 16:30 hours Belgrade time**.

The Agency reserves the right to amend any and all the elements of the 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 250.000 (Euro two hundred fifty thousand)**.

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

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