

Based on Articles 28, 69, Paragraph 3, 70 and 72 of the Law on Privatization ("Official Gazette RoS", No. 38/01, 18/03, 45/05, and 123/07), Article 9 of the Law on the Privatization Agency ("Official Gazette RoS", No. 38/01, and 135/04), Articles 9 and 10 of the Law on the Share Fund ("Official Gazette RoS", No. 38/01, and 45/05), the Privatization Agency (hereinafter: "Agency") issues this:

## PUBLIC INVITATION

**for participation in the public tender for sale of 19,590 shares CFI-code: ESVUFR, ISIN-number: RSDIBBE29987 nominal value RSD 2,400.00 (hereinafter: Block of Shares), of which 47.73652% of Capital is owned by the Shares Fund, and 10.00000% of capital owned by the PIO Fund, amounting to 57.73652% of the total capital of the commercial enterprise:**

**Joint Stock Company for Production and Processing of Tobacco Foil DIB Bujanovac, Sime Pogacaravica St. 43 (hereinafter: Enterprise)**

Tender Code: **DIB 14/08**

1. Total registered capital of the Enterprise consists of 47.73652% capital owned by Share Fund of the Republic of Serbia, 10.00000% capital owned by the PIO Fund, and 42.26348% capital owned by individual shareholders (natural persons).
2. The Agency is offering for sale the Block of Shares consisting of 19,590 shares CFI-code: ESVUFR ISIN-Number: RSDIBBE29987 nominal value RSD 2,400.00, of which the Share Fund of the Republic of Serbia owns 16,197 shares, the PIO Fund owns 3,393 shares, amounting to a total of 57.73652% total capital of the Enterprise.
- 2.a. The Bidder is obliged to offer the price per share for all shares of the Enterprise, 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 the PIO Fund, i.e. the Block of Shares, for the purpose of sale.
3. Information about the Enterprise:

Seat: Sime Pogacarevica St. 43, 17520 Bujanovac, Republic of Serbia  
Phone: +381(17) 651-110  
Fax: +381(17) 653-840  
Predominant activity: Tobacco fermentation

More data about the Enterprise can be found at the Internet address:

[http://www.priv.yu/pregled\\_preduzeca/pdf/teaser\\_15853.pdf](http://www.priv.yu/pregled_preduzeca/pdf/teaser_15853.pdf)

More detailed data about the Enterprise, as well as the Instruction to Bidders (hereinafter: "Tender Documents") shall be available to all interested tender participants after the signing of the Confidentiality Agreement and payment of the Tender Documents Fee.

The Tender Documents Fee is EUR 8,000 (Euro eight thousand) in dinar contravalue at mean exchange rate of the National Bank of Serbia on the day of invoicing.

The Agency has nominated "Dil Inženjering Konsalting" d.o.o., Belgrade, as the consultant in this privatization procedure (hereinafter: "Consultant").

4. A bid may be submitted by:

A. An interested bidder who cumulatively fulfills the following conditions:  
- That it has purchased the Tender Documents, and

- That it performs the activity of Manufacturing Tobacco Products and has been engaged in this activity for at least the last 3 (three) consecutive business years, which can also be proven via subsidiaries in which it has minimum 100% ownership, and has generated operating income of at least EUR 40,000,000 (Euro forty million) in 2007, independently or on consolidated bases, via subsidiaries in which it has minimum 100% ownership rights.

The parent company that fulfills the requirements from Clause A of the Public Invitation, also has the right to submit a bid if its subsidiary has purchased the Tender Documents.

A subsidiary has the right to submit a bid if it fulfills the requirements from Clause A of the Public Invitation also if its parent company has purchased the Tender Documents

- B. If the interested bidder is a Consortium, it must cumulatively fulfill the following conditions:
- All Consortium members have passed the Decision on organizing and entering the Consortium,
  - All Consortium members have concluded a written Consortium Agreement and certified it with the court, i.e. other competent body (in the case of foreign legal entities and natural persons),
  - Each Consortium member assumed unlimited joint and several liability by the provisions of the Consortium Agreement,
  - The Consortium Agreement specifies each member's percentage in the acquisition of the capital of the Enterprise, provided that one Consortium Member has no less than 51% share in the Consortium (hereinafter: Consortium Leader),
  - All Consortium members have signed a certified Power of Attorney for the member representing the Consortium,
  - All Consortium members have signed the Confidentiality Agreement,
  - At least one member of the Consortium has purchased Tender Documents, and
  - That the Consortium Leader cumulatively fulfills following conditions: that it performs the activity of Manufacturing of Tobacco Products and that it has performed this activity for at least the last 3 (three) consecutive business years, which can also be proven via subsidiaries in which it has minimum 100% ownership rights and has generated operating income of at least EUR 40,000,000 (Euro forty million) in 2007, independently or on consolidated bases, via subsidiaries in which it has minimum 100% ownership rights.

5. The Agency hereby invites all parties interested in participating in the tender to submit a written request for purchasing the Tender Documents for the Enterprise, no later than by **May 30, 2008 at 4.30 pm** (Belgrade time).

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

Written requests for purchasing the Tender Documents shall be submitted to the Consultant by mail, e-mail, or fax, clearly marked "Request for Purchasing the Tender Documents – Tender Code: **DIB 14/08**".

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

Upon receipt of the signed Confidentiality Agreement, the proof of authorization for the person who signed the Confidentiality Agreement, and the proof of payment of the Tender Documents Fee, the Consultant shall, after the lapse of the deadline from Paragraph 2 of this Clause, deliver the Tender Documents to the tender participant by mail/e-mail or hand it to its authorized representative.

The Consultant and the Agency shall not be liable in case of loss or delay that may occur in delivery of any document.

6. The deadline for submitting final binding offers for purchase of 57.73652% of total capital of the Enterprise by interested bidders is **11 July 2008 at 4.30 p.m.** (Belgrade time).

If necessary, the Privatization Agency retains the right to change conditions and deadlines of this Public Invitation. As a prerequisite for submitting a bid, it is required to pay deposit or to submit a Bid Bond in the amount of EUR 100,000 (Euro one hundred thousand).

7. For any questions pertaining to this Public Invitation, interested parties may contact persons listed below, in Serbian or English language.

**Dil Inzenjering Konsalting d.o.o.**

Mirocka 1  
11000 Belgrade  
Republic of Serbia

**Goran Lukovic, Director**

Phone: +381 11 32 31 534  
Fax: +381 11 32 31 534  
E-mail: [dil@eunet.yu](mailto:dil@eunet.yu)

**Privatization Agency of the Republic of Serbia**

Terazije 23  
11000 Belgrade  
Republic of Serbia

**Sasa Aleksic, Project Manager**

Corporate Restructuring and Public Tender Center  
Phone: +381 11 30 20 855  
Fax: +381 11 30 20 816  
E-mail: [saleksic@priv.rs](mailto:saleksic@priv.rs)