

Based on Articles 28, 69, Paragraph 3, 70 and 72 of the Law on Privatization ("Official Gazette of the RoS", Nos. 38/2001, 18/2003, 45/2005 and 123/2007), Article 9 of the Law on the Privatization Agency ("Official Gazette of the RoS", Nos. 38/2001 and 135/2004), and Articles 9 and 10 of the Law on the Share Fund ("Official Gazette of the RoS", Nos. 38/2001 and 45/2005), the Privatization Agency (hereinafter: "Agency") hereby issues this:

## **PUBLIC INVITATION**

**for participation in the public tender for sale of 19,628 shares CFI-code: ESVUFR, ISIN-number: RSDIBBE29987, with nominal value of RSD 2,400.00 (hereinafter: Block of Shares), owned by the Share and Pension and Disability Fund (hereinafter: PIO Fund), representing 57.84851% of the total capital of:**

**Joint Stock Company for Production and Processing of Tobacco and Tobacco Foil DIB  
Bujanovac**

**Sime Pogacarevica St. 43 (hereinafter: Company)**

**Tender Code: DIB 08/09**

1. Total registered capital of the Company consists of 47.84851% capital owned by Share Fund of the Republic of Serbia, 10.00000% capital owned by the PIO Fund, and 42.15149% capital owned by individual shareholders (natural persons).
2. The Agency is offering for sale the Block of Shares consisting of 19,628 shares CFI-code: ESVUFR, ISIN-No: RSDIBBE29987, with nominal value of 2,400.00 Dinars, of which the Share Fund of the Republic of Serbia owns 16,235 shares, and the PIO Fund owns 3,393 shares, amounting to a total of 57.84851% of the 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 the PIO Fund, i.e. the Block of Shares, for the purpose of sale.

**3. Information about the Company:**

ID Number: 07179049

Seat: Sime Pogacarevica St. 43, 17520 Bujanovac, Republic of Serbia

Phone: +381(17) 651-110

Fax: +381(17) 653-840

Core activity: Tobacco fermentation

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

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

More details about the Company, 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 6,000 (Euro six thousand).

The Agency has appointed "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 fulfills the following conditions:

- It has purchased the Tender Documents, and
- It is engaged in the production of tobacco products and/or trade of tobacco and tobacco foil, and in 2008 it generated operating income of at least EUR 15,000,000 (Euro fifteen million).

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 and also if its parent company has purchased the Tender Documents

Bidder or Buyer can also be a subsidiary company in which the parent company has at least 51% stake, provided that the following conditions have been cumulatively fulfilled:

- Tender Documents have been purchased either by parent or subsidiary company

and

- the parent company is engaged in the production of tobacco products and/or trade of tobacco and tobacco foil, and in 2008 it generated operating income of at least EUR 15,000,000 (Euro fifteen million)

and

- the parent company assumes unlimited joint and several liability for executing all commitments of that company in relation with this tender.

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 Company,
- 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

The Consortium Leader with at least 51% stake in Consortium fulfills the following condition: It is engaged in the production of tobacco products and/or trade of tobacco and tobacco foil, and in 2008 it generated operating income of at least EUR 15,000,000 (Euro fifteen million).

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 Company, no later then by **July 1, 2009 at 4.30 pm (Belgrade time)**.

**Tender Documents will be available to interested parties from June 15, 2009.**

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 08/09**".

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 purchasing 57.84851% of the total capital of the Company by interested bidders is **July 17, 2009 at 4.30 p.m. (Belgrade time)**.

If necessary, the Privatization Agency retains the right to change conditions and deadlines in 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 50,000 (Euro fifty 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: [goran.lukovic@dil.rs](mailto:goran.lukovic@dil.rs)

**Privatization Agency of the Republic of Serbia**

Terazije 23

11000 Belgrade

Republic of Serbia

**Jelena Kapisoda, Project Manager**

Public Tender Center

Phone: +381 11 30 20 855

Fax: +381 11 30 20 816

E-mail: [jkapisoda@priv.rs](mailto:jkapisoda@priv.rs)