

Pursuant to Article 28 of the Law on Privatization ("Official Gazette of the Republic of Serbia", numbers 38/2001, 18/2003, 45/2005 and 123/07) and the Decision of the Government of Republic of Serbia on approving the initiative for commencing the process of privatization, 05 No. 023-6074/2005-39 on 29<sup>th</sup> of December 2005

**PRIVATIZATION AGENCY**

**(hereinafter: "the Agency")**

**hereby announces:**

**PUBLIC INVITATION**

**For participation in Public Tender**

**for sale of 70% of total registered capital of:**

**Company for production, overhauling and assembly of machines and equipment «PRIM» d.o.o. Kostolac**

(hereinafter: Entity Undergoing Privatization)

**Tender Code: PRM 14/09**

1. The total registered capital of the Entity Undergoing Privatization consists of 100% of state owned capital.

2. The Agency offers for sale 70% of state owned capital of the Entity Undergoing Privatization.

3. Data about the Entity Undergoing Privatization:

Address: Karađorđeva bb, 12208 Kostolac, Republic of Serbia

Phone: +381 (12) 241 369

Fax: +381 (12) 241 535

Identity number: 17577697

The main activities: 28520 - General mechanical works

More details about the Entity Undergoing Privatization are available at Internet address

[http://www.priv.rs/pregled\\_preduzeca/pdf/e-teaser\\_21848.pdf](http://www.priv.rs/pregled_preduzeca/pdf/e-teaser_21848.pdf)

Detailed information on the Entity Undergoing Privatization along with the Information Memorandum and Draft Sale and Purchase Agreement (hereinafter: 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) payable in RSD countervalue according to the median exchange rate of the National Bank of Serbia at the invoice date.

The Agency has appointed BC Consulting d.o.o. Belgrade to act as its Advisor in this privatization process (hereinafter: Consultant).

4. A bid may be submitted by:

A. Potential bidder that meets the following requirements:

- It has purchased the Tender Documents, and

- It has been engaged in the activity of general mechanical works and/or metalworks and overlaying and/or production of metal constructions and parts of constructions and/or production and overhaul of mining machinery, quarries and building machinery and/or production and repair of electric motors, generators and transformers for at least over the last 3 years in continuity, and it achieved operating revenues of at least EUR 20,000,000 (Euro twenty million) in 2008.

If a potential bidder is a parent company that does not fulfill the conditions of this Clause of the Public Invitation, its subsidiary has the right to submit a bid if it fulfills the stated conditions. The subsidiary has the right to submit a bid if the parent company has purchased the Tender Documents.

If a potential bidder is a subsidiary that does not fulfill the conditions of this Clause of the Public Invitation, its parent company has the right to submit a bid if it fulfills the stated conditions. The Parent company has the right to submit a bid if the subsidiary has purchased the Tender Documents.

B. If a potential bidder is a Consortium it must cumulatively meet the following requirements:

- All consortium members have adopted the Decision to form and enter into Consortium,
- All consortium members have entered into a written Consortium Agreement and such agreement has been duly notarized with the court, or other competent body (in case of foreign legal entities and natural persons),
- Each consortium member assumes unlimited joint and several liability under the Consortium Agreement,
- Consortium Agreement specifies each member's percentage in acquisition of the capital of the Entity Undergoing Privatization, herewith that consortium member which has major share in consortium must have at least 51% of total share in consortium (hereinafter : "Consortium Leader"),
- All consortium members have signed a notarized the power of attorney for the member representing 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 fulfills the following condition:

It has been engaged in the activity of general mechanical works and/or metalworks and overlaying and/or production of metal constructions and parts of constructions and/or production and overhaul of mining machinery, quarries and building machinery and/or production nad repair of electric motors, generators and transformers for at least over the last 3 years in continuity, and it achieved operating revenues of at least EUR 20,000,000 (Euro twenty million) in 2008.

**5.** The Agency hereby invites all interested parties to submit a written request for the purchase of Tender Documents for the Entity Undergong Privatization, by **December 25<sup>th</sup> 2009 by 16.30h (Belgrade time)**.

**The Tender Documents will be available to interested parties from November 16<sup>th</sup> 2009.**

A written request for purchasing the Tender Documents should be sent to Consultant and the Agency by post, e-mail or facsimile to the address below, clearly marked as "Request for purchasing the Tender Documents – Tender Code: **PRM 14/09**".

Upon receipt of this request, an invoice for payment of the Tender Documents Fee, as well as the Confidentiality Agreement for signature, will be delivered to the Tender Participant's authorized representative by post, e-mail or facsimile.

The signed Confidentiality Agreement should be immediately faxed and mailed back to 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 forward the relevant Tender Documents to the Tender Participant by mail/e-mail or hand it to its authorized representative.

Consultant and the Agency will not be held liable for any loss or delay that may occur in the delivery of any document.

**6.** The deadline for submission of the final binding offers for acquisition of 70% of the total registered capital of the Entity Undergoing Privatization by interested bidders is **February 12<sup>th</sup> 2010. by 16.30h (Belgrade time)**.

If necessary, the Agency reserves the right to amend any and/or all the elements of this Public Invitation.

As a prerequisite for submitting a bid, it is necessary to pay a deposit or submit a Bid Bond in the amount of **EUR 200.000** (EURO two hundred thousand).

**7.** All the questions related to this Public Invitation should be directed to the persons below, in Serbian or English language.

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