

Based on Article 28 of the Law on Privatization ("Official Gazette of the Republic of Serbia", No. 38/2001, 18/2003, and 45/2005),

**PRIVATIZATION AGENCY**  
(hereinafter: "Agency")  
issues a:

**PUBLIC INVITATION**

for participation in the public tender  
for sale of 100% of socially owned capital of:

**Modna konfekcija «Rudnik» eksport-import, akcionarsko  
društvo, u restrukturiranju, Gornji Milanovac**  
(hereinafter: Entity undergoing privatization")

Tender Code: **RUDNIK 11/06**

1. Total registered capital of the Entity undergoing privatization consists of 68.89% socially owned capital and 31.11% share capital.
2. The Agency is offering for sale 100% of the socially owned capital of the Entity undergoing privatization, i.e. 68.89% of the total registered capital of the Entity undergoing privatization.
3. Information about the Entity undergoing privatization:

Address: No. 17 Kragujevačka St., 32300 Gornji Milanovac, State Union Serbia and Montenegro  
Tel: +381 (32) 711 650  
Fax: +381 (32) 713 991

Core activity: Manufacturing of other clothing and accessories

More details on the Entity undergoing privatization are available at the internet address:

[http://www.priv.yu/pregled\\_preduzeca/pdf/e-teaser\\_220.pdf](http://www.priv.yu/pregled_preduzeca/pdf/e-teaser_220.pdf)

Detailed information on the Entity undergoing privatization, as well as the Instruction to Bidders (hereinafter: "Tender Documents") shall be available to all interested tender participants after signing the Confidentiality Agreement and payment of the Tender Documents Fee.

The Tender Documents Fee is EUR 6,000.00 ( Euro six thousand).

The Agency has appointed «Dil Inzenjering 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
    - fulfills one of the following conditions:

- a) it has **either** been engaged in production or trade of textile and/or textile products for at least the last 3 business years in continuity and that it achieved operating revenue of minimum EUR 1,000,000 (Euro one million) in 2005;
- b) **or** is a financial investor (whose core activity is investing money, that exists at least the last 3 business years in continuity and includes investment companies, mutual funds, insurance companies, pension funds, and investment banks) with total operating assets in excess of EUR 40,000,000 (Euro forty million) in 2005:
- c) **or** is an investor who achieved operating revenue in excess of EUR 3,000,000 (Euro three million) in 2005;

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

If the interested bidder is a subsidiary that does not fulfill the conditions from this clause of the Public Invitation, its parent company has the right to submit a bid, if it fulfills these conditions. The parent company also has the right to submit the bid if the subsidiary 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 Entity undergoing privatization;
- All Consortium members have signed a certified Power of Attorney for the member representing the Consortium;
- All Consortium members have signed a Confidentiality Agreement
- At least one member of the Consortium has purchased Tender Documents; and
- At least one member of the Consortium fulfills at least one of the following conditions:

- d) it has **either** been engaged in production or trade of textile and/or textile products for at least the last 3 business years in continuity and that it achieved operating revenue of minimum EUR 1,000,000 (Euro one million) in 2005;
  - e) **or** is a financial investor (whose core activity is investing money, that exists at least the last 3 business years in continuity and includes investment companies, mutual funds, insurance companies, pension funds, and investment banks) with total operating assets in excess of EUR 40,000,000 (Euro forty million) in 2005:
  - f) **or** is an investor who achieved operating revenue in excess of EUR 3,000,000 (Euro three million) in 2005;
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 Entity undergoing privatization, no later than **by July 05, 2006.**

**Tender Documents will be available to interested parties from June 19, 2006.**

Written requests for purchasing the Tender Documents shall be submitted to the Consultant by mail, e-mail, or fax, to the address listed below, clearly marked "Request for Purchasing the Tender Documents – Tender Code: **RUDNIK 11/06**".

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 deliver the Tender Documents to the tender participant by mail/e-mail or hand it to its authorized representative, upon expiry of the deadline set out in paragraph 2 of this Clause.

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 100% of the total socially owned capital of the Entity undergoing privatization by bidders is **July 28, 2006 at 5 p.m. Belgrade time.**

If necessary, the Privatization Agency retains the right to change all elements 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 50,000.00 (fifty thousand Euro).

7. For any questions pertaining to this Public Invitation, interested parties may contact representatives of the Consultant and the Agency listed below, in the Serbian or the English language.

**Goran Lukovic**

**Director**

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**Vladimir Surla**

Public Tender Center

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