

In accordance with Article 28 of the Law on Privatization (as published in the Official Gazette of the Republic of Serbia Nos. 38/2001 and 18/2003), **the Privatization Agency of the Republic of Serbia** hereby announces a:

PUBLIC INVITATION

For participation in a public tender process
for the acquisition of a controlling interest in:

PIK TAKOVO, Gornji Milanovac

Tender Code: TAK09/03

1. Total registered capital of the PIK TAKOVO is 100% socially owned.

The Agency is offering for sale 70% of the Socially-owned capital of PIK TAKOVO, Gornji Milanovac (hereinafter: "Company").

2. Details about the Entity undergoing privatization:

Address: 32300 Gornji Milanovac, Radovana Grkovicica b.b., Serbia and Montenegro
Phone Number: + 381 32 710 380
Fax Number: + 381 32 711 096
Industry: Production of confectionaries, spirits and fruit juices
Tender Code: TAK 09/03

Basic data about the Entity undergoing privatization (Database of enterprises) is available at:

http://www.priv.yu/pregled_preduzeca/pdf/e-teaser_257.pdf

Detailed information about the Entity undergoing privatization, along with the Information Memorandum and Instructions to Bidders (hereinafter "the Tender Documents"), will be made available to all buyers of the Tender Documents, upon payment of the Tender Documents Fee in the amount of EUR 5.000 (five thousand Euros), plus EUR 1.000 (one thousand Euros) sales tax;

3. The PA has appointed **Meinl Capital Advisors ("MCA")** to act as the advisor in the privatization procedure (hereinafter: "Advisor").
4. A bid may be submitted by the interested Buyer that fulfils the following requirements:
 - has purchased the Tender Documents;
 - has evidenced at least 3 (three) years in manufacturing and/or trade activities of confectionaries and/or processed fruits and/or related food industry products;
 - had total annual revenues in excess of EUR 15 (fifteen) million in 2002;
 - has deposited a bid bond in the amount of EUR 250,000 (two hundred and fifty thousand Euros).

A Subsidiary may submit a bid if the Parent company has purchased the Tender Documents and vice versa.

If the potential Buyer 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 the requirements.

If the potential Buyer is a subsidiary that does not meet the requirements referred to by this clause of the Public Invitation, it has the right to submit a bid, if the Parent company fulfils those requirements.

If the potential Buyer is a Consortium, the following requirements should be fulfilled:

- all Consortium members have made the decision on organizing and entering the Consortium;
 - all Consortium members have signed the Consortium Agreement which is court authenticated;
 - each member of the Consortium assumes unlimited joint and several liability;
 - the Consortium Agreement specifies each member's percentage in the acquired capital of the Entity undergoing privatization;
 - all Consortium members have signed Notarised Power of Attorney for the representing member of the Consortium;
 - all Consortium members have signed a Confidentiality Agreement;
 - at least one of the Consortium members has purchased the Tender Documents;
 - at least one of Consortium members has evidenced at least 3 (three) years in manufacturing and/or trade activities of confectionaries and/or processed fruits and/or related food industry products;
 - at least one of Consortium members had total revenues in excess of EUR 15 (fifteen) million in 2002, according to the latest available audited accounts,
 - at least one of the Consortium members has submitted the Bid Bond in the amount of EUR 250.000 (two hundred and fifty thousand Euros).
5. The Agency hereby invites all interested parties to submit a written request for the purchase of the Tender Documents for the Company between September 23, 2003 and October 31, 2003.

The request for purchasing the Tender Documents shall be submitted to the Advisor by mail, e-mail or facsimile, to the addresses stated below, clearly marked with "Request for the purchase of Tender Documents – Tender Code TAK09/03".

Upon receiving the request, an invoice for payment of the Tender Documents Fee shall be forwarded to the authorized representative by the Privatization Agency.

Upon the payment of the Tender Documents Fee, the Confidentiality Agreement shall be sent to duly authorized representative for signature, by mail, e-mail or facsimile. Signed Confidentiality Agreement shall be immediately faxed and mailed back to the Advisor to the addresses below.

6. Upon receipt of the signed Confidentiality Agreement and evidence of payment of the Tender Documents Fee, The Advisor shall immediately send the relevant Tender Documents to the Tender Participant by mail, e-mail or hand it to the authorized representative.

The Advisor and the PA shall not be held liable for any loss or delay that may occur in the delivery of any document.

7. The deadline for submission of the bids for acquisition of the capital is **November 28, 2003, at 17:00h (Belgrade time) at the office of the Privatisation Agency of Republic of Serbia, 23 Terazije, 11000 Belgrade, Serbia.**
8. The Agency reserves the right to amend the requirements and the deadlines in this Public Invitation, if necessary.

9. The Bid bond for participating in the Public Tender will be in the amount of **EUR 250,000 (two hundred and fifty thousand Euros)**
10. All communications or inquiries relating to this Invitation should be directed to the Advisor at the address below:

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