

In accordance with Article 28 of the Law on Privatization ("Official Gazette of the Republic of Serbia" No. 38/2001 and 18/2003), **the Privatization Agency of the Republic of Serbia** hereby announces a:

PUBLIC INVITATION

For participation in a Tender Process for the acquisition of a controlling interest in:

AD "Vulkan" Industrija gume, Nis

Tender Code: **VUL03/03**

1. Total registered capital of AD "Vulkan" Industrija gume, Nis, consists of 98.4% socially owned capital and 1.6% share capital.

The Privatization Agency offers for sale 70% of socially owned capital of AD "Vulkan" Industrija gume, Nis (hereinafter: Entity undergoing privatization).

2. Details about the Entity undergoing privatization:

Address: **Mramorski put bb, 18000 Niš
Serbia and Montenegro**
Phone Number: **+381.18.363.407, 362.257**
Fax Number: **+381.18.365.856, 363.326**
Industry: **Rubber products manufacturing**
Tender Code: **VUL03/03**

Basic data about the Entity undergoing privatization is available at:

http://www.priv.yu/pregled_preduzeca/pdf/teaser_261.pdf

Detailed information about the Entity undergoing privatization, along with the Information Memorandum (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 five thousand US Dollars (USD 5,000) plus one thousand US Dollars (USD 1,000) for sales tax.

3. The PA has appointed a Consortium formed by **Central Europe Trust Company Ltd.** and **Alzheimer & Gray** to act as the advisor in the privatization process (hereinafter: "Advisor").
4. A bid may be submitted by a potential Buyer that fulfils the following requirements:
 - Has purchased the Tender Documents;
 - Is engaged in **manufacturing or trading of rubber products or parts for automotive industry;**
 - Had minimum operating revenues in 2002 in the amount of EUR 5 (five) million, according to the last audited/statutory accounts;

If the potential Buyer is a Parent company that does not fulfill the requirements from this clause of the Public Invitation, its Subsidiary has the right to submit a bid, if it fulfils the requirements.

The Subsidiary may submit a bid if the Parent company has purchased the Tender Documents.

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

The Parent company may submit a bid if its Subsidiary has purchased the Tender Documents.

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

- All Consortium members have signed a Consortium Agreement and have notarized it in the Court;
 - All Consortium members have made the decision on organizing and entering the Consortium;
 - Each member of the Consortium assumes an unlimited joint and several liability;
 - The Consortium Agreement specifies each member's percentage in the acquired company's capital;
 - All Consortium members have signed Notarized Power of Attorney for the representing member of the Consortium;
 - All Consortium members have signed the Confidentiality Agreement;
 - At least one of the Consortium members has purchased the Tender Documents;
 - At least one of the Consortium members **has been engaged in manufacturing or trading of rubber products or parts for automotive industry;**
 - At least one of the Consortium members had minimum operating revenues in 2002. in the amount of **EUR 5 (five) million**, according to the latest audited/statutory accounts.
5. The Agency hereby invites all interested parties to submit a written request for the purchase of the Tender Documents for the Entity undergoing privatization by **August 22nd 2003**. The Tender Documents shall be made available to interested parties starting from **June 27th, 2003**.

The request for purchasing the Tender Documents shall be submitted to the Advisor by mail to one of the addresses stated below, or by e-mail or facsimile, clearly marked with "Request for the purchase of Tender Documents – Tender Code **VUL03/03**".

Upon receipt of such 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 at 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 or 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 **September 15th 2003, at 17:00 hours (Belgrade time)**.
 8. The Agency reserves the right to amend the requirements and the deadlines from this Public Invitation, if necessary.
 9. The Bid bond for participating in the Public Tender is **EUR 100,000 (one hundred thousand Euros)**.
 10. All communications or inquiries relating to this Invitation should be directed to the Advisor at the address below:

Marius Manoiu
Senior Manager
Central Europe Trust Company Ltd.
4 Gavril Musicescu Street
Bucharest 1- Romania
Ph: +40.21.231.6044
Fax: +40.21.231.6045
E-mail: marius.manoiu@cet.com.ro

Sasha Nikolic
Principal
Central Europe Trust Company Ltd.
15 Kralja Milana Street, Belgrade 11000
Serbia and Montenegro
Ph: + 381 (11) 33 444 32
Fax. + 381 (11) 33 466 37
E-mail: sasha.nikolic@cet-bgd.com