



Pursuant to the Restructuring Program of the JSC "Holding Industrija kablova Jagodina" under restructuring, and LLC for production and distribution of thermal energy "Toplana FKS" under restructuring, adopted on December 22, 2008 by the Decision of the General Assembly of JSC "Holding Industrija kablova Jagodina" under restructuring and Decision of the Management Board of LLC for production and distribution of thermal energy "Toplana FKS" under restructuring, accepted by the Privatization Agency in Resolution No. 10-4421/08-140/02 on December 26, 2008, as well as the Amendments No. 1 to the Restructuring Program dated March 26, 2009, adopted by the Decision of the General Assembly of JSC "Holding Industrija kablova Jagodina" under restructuring, and Decision of the Management Board of LLC for production and distribution of thermal energy "Toplana FKS" under restructuring, and accepted by the Privatization Agency on April 3, 2009 by the Resolution No. 10-1120/09-140/02, and in accordance with Article 28 of the Law on Privatization ("Official Gazette of the Republic of Serbia" no. 38/2001, 18/2003, 45/2005 and 123/2007) and Article 9 of the Law on the Privatization Agency ("Official Gazette of the Republic of Serbia" no. 38/2001, 135/04), the Privatization Agency (hereinafter: Agency) hereby announces:

PUBLIC INVITATION

for participation in the Public Tender for the sale of the immovable assets of JSC "Holding Industrija kablova Jagodina" under restructuring (hereinafter: Company) as well as the accompanying equipment which comprise "Jagodina" asset unit, as follows:

I Main Location Jagodina

- 1) "FKS Fabrika energetskih kablova",
- 2) "FKS Oprema",
- 3) Partial assets of "Direkcija i biro" and "Društveni standard"
- 4) Partial assets of DOO "Institut FKS"

II New Location Jagodina

- 1) "FKS Fabrika telekomunikacionih kablova i lak žica,
- 2) DOO "Toplana FKS", u restrukturiranju
- 3) DOO "Institut FKS"
- 4) Partial assets of "Direkcija i biro" and "Društveni standard"

III Location Elmos Jagodina

- 1) "FKS Fabrika Elmos"
- 2) Partial assets of "Društveni standard"

IV Location Jagodina Center

- 1) Partial assets of "Direkcija i biro" and "Društveni standard"

V Location "Dragocvet"

- 1) "FKS Fabrika kablovskog pribora i inženjering", location in Dragocvet

with total land area of around 100 ha and total building space of around 180,000 m², as well as the accompanying equipment.

The above listed immovable property is registered with, i.e. is located on:



I Main Location Jagodina:

1. Immovable property list 535 Cadastre Municipality (CM) Bresje dated 23.10.2008.:
 - land – cadastre lot 550/1 and 640
 - buildings on cadastre lot 550/1
2. Immovable property list 692 CM Bresje dated 23.10.2008. - land and buildings
3. Immovable property list 1037 CM Majur dated 23.10.2008.:
 - land – cadastre lot 1975/3 and 2000/3
4. Immovable property list 1619 CM Majur dated 23.10.2008.:
 - land – cadastre lot 1964/1, 1964/4, 2000/2 and part of 2000/1(part comprising cadastre lot 2000/4, made by parcelling of cadastre lot 2000/1, under the Resolution no. 463-693/07-04)
 - buildings located on cadastre lot 1964/1, 1964/4 and part of 2000/1 (part comprising cadastre lot 2000/4, made by parcelling of cadastre lot 2000/1, under the Resolution no. 463-693/07-04)
5. Immovable property list 353 CM Majur dated 23.10.2008.:
 - land – cadastre lot 536
 - buildings located on cadastre lot 536
6. Immovable property list 282 CM Ostrikovac dated 31.10.2008.:
 - land – cadastre lot 114/19, 114/22, 252/2, 252/3, 275/2, 275/3
 - buildings located on cadastre lot 114/19, 114/22, 252/3, 275/3
7. Immovable property list 1122 CM Ostrikovac dated 31.10.2008.:
 - land – part of cadastre lot 254/1 with property share 544/1744
 - building located on cadastre lot 254/1
8. Immovable property list 11659 CM Jagodina dated 23.10.2008. - land and buildings

II New Location Jagodina:

9. Possesory list 11736 CM Jagodina dated 23.10.2008.:
 - land – cadastre lot 236/3, 134/48, 134/52, 134/53, 134/54, 134/55, 141/3, 142/1, 142/2, 146/3, 147/1, 147/2, 147/3, 147/4, 148/31, 252/3, 252/4, 252/5, 253/4, 253/5, 253/9, 253/10, 253/11, 253/12, 253/13, 253/14 and one part of cadastre lot 154/1 (part comprising cadastre lot 154/3, made by parcelling of cadastre lot 154/1, under resolution no. 463-669 / 07 - 04 dated 01.11.2007.)
 - buildings located on one part of cadastre lot 154/1 (part comprising cadastre lot 154/3, made by parcelling of cadastre lot 154/1, under resolution no. 463-669 / 07 - 04 dated 01.11.2007.)
10. Immovable property list 11662 CM Jagodina dated 23.10.2008. - land and buildings

III Location Elmos Jagodina

11. Possesory list 11931 CM Jagodina dated 23.10.2008.:
 - land – cadastre lot 298/1, comprised of newly formed cadastre lot 298/3 made by parcelling of cadastre lot 298/1, and one part of cadastre lot 298/1, part comprising the newly formed cadastre lot 298/4 is excluded (from cadastre lot 298/1, by Resolution no. 463-823/08-04 dated 24.12.2008, two lots were created - 298/4 and 298/3)
 - buildings located on cadastre lot 298/1, except building on newly formed cadastre lot 298/4 where the building of Occupational Medicine is located, which lot was made by parcelling of cadastre 298/1 (from cadastre lot 298/1, by Resolution no. 463-823/08-04 dated 24.12.2008, two lots were created - 298/4 and 298/3)

IV Location Jagodina Center

12. Possesory list 9792 CM Jagodina dated 24.10.2008.:
 - land – cadastre lot 2957, 3085
 - buildings located on cadastre lot 2957, 3085

V Location Dragocvet

13. Immovable property list 446 CM Šuljkovac dated 23.10.2008.:



- land – cadastre lot 20/2
- buildings located on cadastre lot 20/2, except building no. 6 (electric power station)

(hereinafter, collectively: “**Subject of Sale**”)

Assets of the Company are being sold on “as is” basis, without possibility for subsequent shortage claims.

Detailed specification of the land, buildings and accompanying equipment is integral part of the Tender Documents.

Tender Code: **FKS 06/09**

1. Information about the Company:

Address: Jagodina, Republic of Serbia
Tel: +381(35) 221 521
Fax: +381(35) 31 321 141
Core Activity: 31 300 – Production of insulated wires and cables
Capital structure: 99.35 % socially owned, 0.65% share capital

Additional information about the company is available at:
http://www.pa-serbia.co.yu/pregled_preduzeca/pdf/e-teaser_342.pdf

More details about the Subject of Sale, the Information Memorandum that includes a list of all assets comprising the Subject of Sale, Instructions to Bidders, and draft Sale and Purchase Agreement, are integral elements of the Tender Documents, and will be made available to all interested tender participants following the signing of the Confidentiality Agreement and the payment of the Tender Documents fee.

The Tender Documents fee is EUR 10,000.00 (ten thousand euros).

The Agency has appointed the consortium consisting of “Institut ekonomskih nauka” and “CONZIT” DOO as its advisor in this privatization process (hereinafter: Advisor).

2. A Bid may be submitted by:

A. Potential bidder that fulfills the following requirements:

- it has purchased the Tender Documents
- it has signed the Confidentiality Agreement and
- it fulfills one of the following conditions:

- it is a legal entity that has been engaged in production of insulated wires and cables for at least the last 3 (three) consecutive business years, and achieved operating revenues of at least EUR 50,000,000.00 (Euro fifty million) in 2008,

or

- is an investor that generated operating revenues in excess of EUR 60,000,000.00 (Euro sixty million) in 2008.

If an interested bidder is a subsidiary that does not meet the requirements from this Clause of the Public Invitation, its parent company has the right to submit a Bid if it meets the specified conditions. The parent company has the right to submit a Bid if its subsidiary purchased the Tender Documents.

If an interested bidder 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 meets the specified conditions. The subsidiary has the right to submit a Bid if its parent company purchased the Tender Documents.

B. If an interested bidder is a Consortium, it is mandatory that it fulfills cumulatively the following requirements:



- All Consortium members have made the decision to organize and join the Consortium;
- All Consortium members have signed a written Consortium Agreement and notarized it at Court, or other competent body (in case of foreign legal entities and individuals);
- Each Consortium member assumes unlimited joint and several liability for obligations arising from or in relation to this Tender – Tender Code FKS 06/09, in line with the Consortium Agreement;
- The Consortium Agreement specifies each member's share in acquisition of the Subject of Sale;
- All Consortium members have signed a 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, and
- At least one Consortium member is either:
 - a legal entity that has been engaged in production of insulated wires and cables for at least the last 3 (three) consecutive business years, and achieved operating revenues of at least EUR 50,000,000.00 (Euro fifty million) in 2008,
 - or
 - is an investor that generated operating revenues in excess of EUR 60,000,000.00 (Euro sixty million) in 2008.

3. Minimum Price

The minimum price for the Subject of Sale is set at: EUR 28,866,000.00 (euro twenty eight million eight hundred and sixty six thousands).

Decree on procedure and method of restructuring of the entities undergoing privatization ("Official Gazette RS", no. 52/05 and 96/08) provides the possibility that a buyer of assets of the entity undergoing privatization can pay the amount of the purchase price in maximum six annual installments. The first installment amounts to at least 30% of the purchase price and is paid within the term defined in the SPA, and the remaining amount of the purchase price is divided in five equal annual installments increased by the interest calculated according to EURIBOR+2%. The installments are expressed in euros. If a buyer is domestic legal entity or individual, it shall pay the annual installment in RSD equivalent at the median exchange rate of the National Bank of Serbia on the installment due date. The buyer of the assets of the entity undergoing privatization shall secure the payment of annual installments by submitting first-class bank guarantee.

4. Development-Investment Requirements

- Retaining production of insulated wires and cables at least during the next 10 years;
- Investments Commitment of at least EUR 10,2 million in modernization of production process (within three years following the signing of the Sale and Purchase Agreement for the Subject of Sale), and
- Investments Commitment of at least EUR 1.25 million in environmental protection (within three years following the signing of the Sale and Purchase Agreement for the Subject of Sale).

5. Minimum Social Program

Minimal social program is a mandatory requirement that each Bidder must fully accept, and entails the obligation of the Buyer to keep as full-time employees the workers that are full-time employed at the asset unit being the subject of sale at the moment of sale, according to the list provided in the Tender Documents.

6. The Agency is hereby inviting all interested parties to submit a written request for purchasing the Tender Documents by **May 22, 2009**.

Tender Documents will be made available to the interested parties from **April 27, 2009**.



A written request for purchasing the Tender Documents shall be submitted to the Advisor at the address below, by mail, e-mail or facsimile, clearly marked with "Request for purchasing the Tender Documents – Tender Code **FKS 06/09**".

Upon receiving the request, an invoice for payment of the Tender Documents Fee and the Confidentiality Agreement for signature, shall be forwarded to the Tender Participant's authorized representative by mail, email or facsimile. Signed Confidentiality Agreement shall be immediately faxed and mailed back to the Advisor to the addresses below.

Upon receipt of the signed Confidentiality Agreement, evidence of the authorization for the person who signed the Confidentiality Agreement, and evidence of payment of the Tender Documents Fee, the Advisor shall, deliver the relevant Tender Documents to the Tender Participant by mail/e-mail, or hand it to its authorized representative upon expiration of deadline stated in paragraph 2 of this Clause.

The Advisor and the Agency 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 Bids for acquisition of the Subject of Sale by interested bidders is June 5, 2009 by 16:30 hours Belgrade time.

The Agency reserves the right to amend any and all elements of the Public Invitation, if necessary.

8. As a prerequisite for bid submission, it is necessary to pay Deposit or submit a Bid Bond in the amount of EUR 3,000,000.00 (Euro three million).

9. All inquiries relating to this Public Invitation should be directed to the contact persons at the address below, in Serbian or English:

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