

Based on the Privatization and Restructuring strategy for RTB Bor adopted by the Resolution of the Government of the Republic of Serbia No. 023-1378/2006-001 on March 23, 2006 and the Decisions on adoption of the Restructuring Program made by RTB Bor Group Mining and Smelting Complex Bor d.o.o. (**RTB**), Mining and Smelting Complex – Group Copper Mines Bor d.o.o. (**RBB**), Mining and Smelting Complex – Group Copper Mine Majdanpek d.o.o. (**RBM**), and Mining and Smelting Complex – Group Smelter and Refinery d.o.o. (**TIR**) – (hereinafter the “**Companies**”) and the Privatization Agency (hereinafter “**Agency**”), the Agency together with the Companies, in accordance with Article 28 of the Law on Privatization (Official Gazette 38/2001, 18/2003 and 45/2005) hereby issues a:

PUBLIC INVITATION

for participation in a public tender for the transfer of the relevant **exploitation rights** and joint sale of the core assets of the Companies, which consist of the following core asset sub-groups (the “**Assets**”):

Copper Mines Bor, including but not limited to: Veliki Krivelj open pit mine, Cerovo open pit mine, Jama underground mine, Borska Reka underground prospect, with flotation and other mining equipment.

Copper Mines Majdanpek, including but not limited to: Majdanpek open pit mine, Coka Marin deposit, flotation and other mining equipment.

Smelter and Refinery, including but not limited to: Smelter, Electrolysis, Sulphuric acid plant, Energy facility, Transport, Foundry, Quarry and Copper wire plant, including Sinter metallurgy.

Tender Code: **RTB-01/07**

1. Subject of Sale and Transfer

Subject of the joint sale are the core asset sub-groups of RBB, RBM and TIR, the comprehensive list of which shall be presented, as a part of Tender Documents, to the Eligible Participants (as defined below), combined with the simultaneous transfer of the relevant exploitation rights.

More details about the Companies are available at:
http://www.priv.yu/pregled_preduzeca/pdf/e-teaser_387.pdf

2. Eligible Participants

A prospective tender participant shall be deemed to be an eligible participant (the “Eligible Participant”) for the purpose of acquisition of the Tender Documentation if it demonstrates the ability to fulfill the Qualification Criteria (as defined below).

3. Tender Documentation

Tender Documentation is available to all Eligible Participants who:

- sign the Confidentiality Agreement;
- submit proof of payment of the Tender Documentation fee in the amount of USD 10,000 in RSD at middle exchange rate of National Bank of Serbia as of the date of payment (hereinafter: “the Fee”);
- submit documents demonstrating ability to fulfill the Qualification Criteria.

Documents demonstrating the ability to fulfill the Qualification Criteria may include but are not limited to audit reports, annual reports, copies of invoices, inventories, distribution contracts, export—import contracts, brochures, or any other relevant document, including a consortium agreement.

The Tender Documents will be available to the Eligible Participants starting from **September 14, 2007**.

The Agency has appointed CA IB Corporate Finance, Deloitte & Touche and Harrisons Solicitors to act as the advisors in the privatization procedure (hereinafter referred to as "Advisor").

The request for participation in the Tender (the "Request for Participation") and the documents demonstrating the ability to fulfill the Qualification Criteria shall be submitted to the Advisor by mail or by e-mail or facsimile, to the addresses stated below, and shall clearly display the reference "Request for participation in the Tender-Code RTB 01/07". The Requests shall be received by **October 5, 2007** at latest.

Upon receipt of the Request for Participation the Advisors will, subject to the terms of this Invitation, forward to the relevant applicant the information on its eligibility.

The Confidentiality Agreement and invoice for payment of the Fee shall be send only to Eligible Participants.

Upon receipt of the duly signed Confidentiality Agreement and proof of payment of the Fee, the Advisors shall provide the Eligible Participant with the Tender Documents, by mail or e-mail. The Advisor, Agency and/or Companies shall not be held liable in case of loss or delay that may occur in the delivery of any document in relation to this Public Invitation.

4. Submission of the final written Bids:

A bid will be considered only if it is submitted by an Eligible Participant (or an affiliate of such Eligible Participant, in which case the Eligible Participant and the Bidder shall be held jointly and severally liable for any and all obligations arising out of or in connection with the Tender – Tender code RTB-01/07) who, *inter alia*:

Has purchased the Tender Documents;

Is fulfilling the following qualification criteria (the "Qualification Criteria"):

a) that it has been engaged in production and/or processing and/or trade of copper or copper products or non-ferrous metals for the last two years, as of to date hereof, and

b) that (i) in the two previous business years it has annual revenues in excess of USD 250 million per year, or (ii) USD 600 million or more in assets under management.

If the Bidder is a Consortium it is necessary that it fulfills all the following conditions:

- All Consortium members passed the decision on organizing and entering into the consortium;
- All Consortium members have executed written Consortium Agreement and such Agreement is notarized either by the Court or by other relevant body (in case of foreign legal entities and natural persons);
- Any and all Consortium members undertake joint and several liability for any and all obligations arising out of or in connection with the Tender – Tender code RTB-01/07 pursuant to the Consortium Agreement;

- The Consortium Agreement specifies each member's percentage in the acquisition of the Assets;
- All Consortium members have signed the notarized power of attorney for the member representing the Consortium;
- All Consortium members have signed the Confidentiality Agreement;
- At least one Consortium member has purchased the Tender Documents;

In case of Consortium Qualification Criteria should be fulfilled cumulatively, whereby (a) at least one member of the Consortium has to be engaged in production and/or processing and/or trade of copper or copper products or non-ferrous metals for the last two years, as of to date hereof; and (b) at least one member of the Consortium has to have: (i) the annual revenues, in excess of USD 250 million per year, during two previous business years, or (ii) it has to have USD 600 million or more in assets under management .

Detailed conditions for bid submission shall be defined in the Instructions to Bidders, which represent part of the Tender Documentation.

Deadline for the interested Eligible Participants to submit their final written offers for purchase of the subject Assets and the transfer of exploitation rights is **October 31, 2007 by 5:00pm Belgrade time**.

5. Minimum price

The minimum price for the Assets amounts to **USD 340,000,000.00** (Three hundred forty million US Dollars)

6. Minimum investment program

Minimum investment program amounts to **USD 180,000,000.00** (One hundred eighty million US Dollars).

7. Minimum social program

Minimum requirements of the social program are compulsory requirements which a Bidder must fully accept.

8. Bid Bond

As a prerequisite for bid submission, it is necessary to submit the Bid Bond in the amount USD 10,000,000.00 (ten million US Dollars).

9. Amendments to the Public Invitation

The Agency reserves the right to amend all or any element of this Public Invitation, if necessary.

10. Inquiries and additional clarifications

All questions relating this Public Invitation should be directed to the Advisor at the addresses below:



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