



Based on the Action Plan for the restructuring of RTB Bor Group, adopted by the Resolution of the Government of the Republic of Serbia as of October 23rd, Plan of the Amendments to the Action Plan for the restructuring of RTB Bor Group, adopted by the Resolution of the Government of the Republic of Serbia as of February 26th 2009, and the Restructuring Program and the Amendments to the Restructuring Program of RTB Bor Group, the Privatization Agency (hereinafter the “**Agency**”) and RTB Bor Group Mining and Smelting Complex Bor d.o.o. in restructuring (**RTB**), Mining and Smelting Complex Bor – Group Copper Mines Bor d.o.o. in restructuring (**RBB**), Mining and Smelting Complex Bor – Group Copper Mine Majdanpek d.o.o. (**RBM**), and Mining and Smelting Complex Bor – Group Smelter and Refinery d.o.o. in restructuring (**TIR**) – (hereinafter collectively the “**Companies**”), hereby issue a:

PUBLIC INVITATION FOR SELECTION OF A STRATEGIC PARTNER FOR RTB BOR GROUP

Code: **RTB 01/09**

1. Subject of the Public Invitation

Subject of the Public invitation is selection of a strategic partner that is to acquire by way of capital increase 40% of the capital of a legal entity which is to be established via merger by foundation of the Companies (hereinafter: the “NewCo”), with the possibility of acquiring up to 67% of the capital.

2. Minimum amount and purpose of the Capital Increase

The minimum pecuniary amount of the capital increase for acquisition of 40% of the capital of the NewCo is **USD 116,000,000** (hundred and sixteen million US Dollars), and shall be intended for necessary investments in mining activity, as well as the most urgent overhauls of the existing smelter. Capital increase can be made within the period of three years.

The Republic of Serbia is prepared to finance the construction of the new copper smelter in line with Best Available Technics – “BAT” that will comply with all environmental protection standards. The fund for construction of the smelter in the maximum amount of 130 million US Dollars will be provided by the Republic of Serbia through a loan to RTB Bor under favorable conditions. In addition, the loan agreement would stipulate a possibility of conversion of the liabilities towards the Republic of Serbia under this loan to the NewCo equity.

3. Information about the Companies

More details about the Companies are available at:

<http://www.priv.rs/jp/e-rtb-bor/>

4. Right on submission of the Bid has:

A) Interested bidder that has purchased the Transaction Documents and that cumulatively fulfils the following conditions (hereinafter the “Participation 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 three years, as of the date of this Public Invitation, and



- b) in the business year 2007, it generated annual revenue in excess of USD 500,000,000 (five hundred million US Dollars).

B) If the interested bidder is a Consortium it is necessary that it cumulatively fulfills 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 Public Invitation RTB 01/09 pursuant to the Consortium Agreement;
- The Consortium Agreement specifies each member's percentage in the Consortium whereas one member of the Consortium must have at least 51% stake in the Consortium (hereinafter the "Consortium Leader");
- 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 Transaction Documents; and
- The Consortium Leader fulfills the Participation Criteria.

5. Transaction Documents

Transaction Documents are available to all interested bidders (hereinafter "the Eligible Bidders") that:

- demonstrate the ability to fulfill the Participation Criteria
- sign the Confidentiality Agreement;
- Submit proof of payment of the Transaction Documents fee in the amount of USD 15,000 (fifteen thousands US Dollars) (hereinafter the "Fee").

The request for participation in line with this Public Invitation (the "Request for Participation") and the documents demonstrating the ability to fulfill the Participation Criteria shall be submitted to the Agency by mail or by e-mail or facsimile, to the addresses stated in the Clause 9 of this Public Invitation, and shall clearly display the reference "Request for participation – Code RTB 01/09". Request for participation should be submitted by **April 3rd 2009**, at the latest.

Upon receipt of the Request for Participation the Agency will, subject to the terms of this Public Invitation, forward to the applicants the information whether they acquired the status of an Eligible Bidder.

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

Upon receipt of the duly signed Confidentiality Agreement and proof of payment of the Fee, the Agency shall provide the Eligible Bidder with the Transaction Documents, by mail or e-mail. The 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.

6. Submission of final binding Bids

Deadline for submission of the final binding bids for selection of a strategic partner in line with the Clause 1 of this Public Invitation is **April 21st, 2009 by 4:30pm Belgrade time**.



7. Bid Bond

Prerequisite for consideration of the bids is submission of the Bid Bond in the amount of USD 10,000,000 (ten million US Dollars).

8. Amendments to the Public Invitation

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

9. Inquiries and additional clarifications

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

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