

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** (hereinafter "Agency") hereby issues a:

PUBLIC INVITATION

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

DP "Zupa" Chemical Industry Krusevac

Tender Code: **ZUP02/03**

1. Total registered capital of the Company **is 100% socially owned capital.**

The Agency is offering for sale 70% of the socially owned capital of **DP "Zupa" Chemical Industry, Krusevac** (hereinafter: "Company").

2. Details about the Company:

Address: **Branka Zarkovica bb, 37000 Krusevac, Republic of Serbia, Serbia and Montenegro**

Phone Number: +381 37 29 331

Fax Number: +381 37 23 277

Industry: **The production of plant protection agents, feed additives, veterinary products, agents for flotation of non ferrous metal ores and electrolytic products.**

Tender Code: ZUP02/03

Basic data about the Company is available at:

http://www.priv.yu/pregled_preduzeca/pdf/teaser_414.pdf

Detailed information about the Company, 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 USD 5,000 (US Dollars five thousand), plus USD 1,000 (US Dollars one thousand) of sales tax.

3. The Agency has appointed the CA IB Consortium which consists of CA IB Corporate Finance, Deloitte & Touche and Harrison's Solicitors to act as the advisor in the privatization procedure (hereinafter: "Advisor").

4. A bid may be submitted by the potential Buyer that fulfils the following requirements:

- Has purchased the Tender Documents
- Has been engaged in production or/and processing or/and trade of chemical products

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.

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, the Parent company has the right to submit a bid, if it fulfils the requirements.

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

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

- All Consortium members have signed The 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 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 the Consortium members has been engaged in production and/or processing and/or trade of chemical products.

5. The Agency hereby invites all interested parties to submit a written request for the purchase of the Tender Documents for the Company by **25th July 2003**. Tender Documents will be made available to interested parties starting from **1st July 2003**.

The request for purchasing the Tender Documents shall be submitted to the Advisor by mail, to the addresses stated below, or by e-mail or facsimile, and shall clearly display the reference "Request for the purchase of Tender Documents - Tender Code ZUP02/03".

Upon receiving the request, the Agency will forward an invoice for payment of the Tender Documents Fee to the authorized representative. 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 confirmation 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 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 the bids for acquisition of the capital is **30th September 2003, at 17:00 hours (Belgrade time)**.

8. The Agency reserves the right to amend the requirements and the deadline from the Public Invitation, if necessary.

9. The Bid bond for participating in the Public Tender will be **USD 50,000** (US Dollars fifty thousand).

10. All communications or inquiries relating to this Invitation should be directed to the Advisor at the address below:

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