

Pursuant to Articles 28, 69 paragraph 3 and 72 of the Law on Privatization (Official Gazette of the Republic of Serbia No. 38/2001, 18/2003, 45/2005 and 123/2007), Article 9 of the Law on Privatization Agency (Official Gazette of the Republic of Serbia No. 38/2001 and 135/2004) and Article 9 and 10 of the Law on Share Fund (Official Gazette of the Republic of Serbia No. 38/2001 and 45/2005)

PRIVATIZATION AGENCY

(hereinafter: the "Agency")

issues:

PUBLIC INVITATION

for participation in a public tender

for sale of 446,188 shares CFI-code: ESVUFR, ISN-no: **RSZUPAE75121**

with nominal value of RSD 1,000

which represents 70.33993% of the total registered capital of the Company

(hereinafter "Block of shares"):

Chemical industry "ŽUPA" AD Kruševac, Šandora Petefija bb

(hereinafter: the "Company")

Tender Code: **ŽUP 02/09**

1. Total registered capital of the Company consists of 70.33993% of capital owned by the Share Fund of the Republic of Serbia, 15.00652% of the capital owned by the Privatization Register and 14.52144% of capital owned by individual shareholders.

2. The Agency is offering for sale the Block of Shares which consists of 446,188 shares CFI-code: ESVUFR, ISN-no: RSZUPAE75121, **with** nominal value of RSD 1,000 owned by the Share Fund of the Republic of Serbia, which represents 70.33993% of the total capital of the Company.

2A. The Bidder is obliged to offer the price per share for all shares owned by the Share Fund of the Republic of Serbia and individual shareholders, considering that upon signing of the Agreement for Sale and Purchase of the Block of Shares, the Share Fund shall invite individual shareholders to join their shares with the shares in the portfolio of the Share Fund (i.e. the Block of Shares) for the purpose of sale.

3. Information about the Company:

Address: Šandora Petefija bb, Kruševac, Republic of Serbia

Phone: +381 (37) 424-476, +381 (37) 422-438

Fax: +381 (37) 423-277

Predominant activity: Production of other basic inorganic chemicals

More data about the Company can be found at the Internet address:

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

Detailed information about the Company, along with the Instructions to Bidders (hereinafter "Tender Documents"), will be made available to all interested tender participants upon signing of the Confidentiality Agreement and payment of the Tender Documents Fee.

The Tender Documents Fee is EUR 8,000.00 (eight thousand euros).

The Agency has appointed "EUCONS GROUP" d.o.o., Belgrade, to act as advisor in this privatization procedure (hereinafter: Advisor).

4. Required sales conditions:

A bid may be submitted by:

A) Interested bidder that fulfils the following requirements:

- It has purchased the Tender Documents; and
- It fulfils at least one of the following requirements:

either

a) it has been engaged in production and/or processing of chemical products for at least the last 3 (three) consecutive business years, and achieved operating revenues of at least EUR 8,000,000.00 (eight million euros) in 2007;

or

b) is an investor who achieved operating revenue in excess of EUR 12,000,000.00 (twelve million euros) in 2007.

If the 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 fulfils these requirements. The subsidiary that fulfils the above stated requirements also has the right to submit a bid if the parent company purchased the Tender Documents.

If the interested bidder is a subsidiary that does not meet the requirements from this clause of the Public Invitation, the Parent company has the right to submit a bid, if it fulfils these requirements. The parent company that fulfils the above stated requirements also has the right to submit a bid if its Subsidiary purchased the Tender Documents.

B) If an interested bidder is a Consortium, it is necessary that it fulfils cumulatively the following requirements:

- All Consortium members have made the decision on organizing and entering the Consortium;
- All Consortium members have concluded a written Consortium Agreement and notarized it in Court or other competent body (in case of foreign legal entities and/or individuals);
- Each member of the Consortium assumes unlimited joint and several liability by provisions of the Consortium Agreement;
- The Consortium Agreement specifies each member's percentage in the acquisition of capital of the Company, provided that one consortium member must have at least 51% of the total share in the Consortium (hereinafter: "Consortium Leader");
- All Consortium members have signed a notarized 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; and
- The Consortium Leader fulfills at least one of the following requirements:

either

a) it has been engaged in production and/or processing of chemical products for at least the last 3 (three) consecutive business years, and achieved operating revenues of at least EUR 8,000,000.00 (eight million euros) in 2007;

or

b) is an investor who achieved operating revenue in excess of EUR 12,000,000.00 (twelve million euros) in 2007.

5. The Agency hereby invites all parties interested in participating in the tender to submit a written request for purchasing the Tender Documents for the Company by **April 16, 2009**.

Tender Documents will be made available to the interested parties from **March 9, 2009**.

The request for purchasing the Tender Documents shall be submitted to the Advisor and Agency by mail, e-mail or facsimile, clearly marked with "Request for purchasing Tender Documents – Tender Code **ŽUP 02/09**".

Upon receiving the request, an invoice for payment of the Tender Documents Fee and the Confidentiality Agreement for signature, shall be forwarded to the applicant's authorized representative by mail, e-mail 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, the proof of authorization for the person who signed the 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/e-mail or hand it to its 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.

6. The deadline for submission of binding bids for acquisition of Company's shares by interested bidders is **April 30, 2009 at 16:30 hours (Belgrade time)**.

The Agency reserves the right to amend any and all elements, i.e. requirements and deadlines from the Public Invitation, if necessary.

As a prerequisite for bid submission, it is necessary to pay a deposit or to submit a Bid Bond in the amount of **EUR 150,000.00** (one hundred fifty thousand euros).

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

Privatization Agency of the Republic of Serbia

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