



Pursuant to the Articles 28, 69, and 72 of the Law on Privatization («Official Gazette of the Republic of Serbia» nos. 38/2001, 18/2003, 45/2005 and 123/2007), Article 9 of the Law on Privatization Agency («Official Gazette of the Republic of Serbia» nos. 38/2001 and 135/2004) and Article 9 of the Law on the Share Fund of the Republic of Serbia («Official Gazette of the Republic of Serbia» nos. 38/2001 and 45/2005), and articles 21b, 21c and 21d of the Decree on the Sale of capital and property by public tender («Official Gazette of the Republic of Serbia» nos. 45/2001, 59/2003, 110/2003, 52/2005 and 126/2007), The Privatization Agency (hereinafter «The Agency») hereby announces:

**PUBLIC INVITATION**

**For participation in the Short Public Tender procedure**

**For sale of 83.90132% of the total shares owned by the Share Fund of the Republic of Serbia**

**in**

**Joint stock company Fabrika hartije za proizvodnju**

**bezdrvnih i ambalaznih papira Beograd**

**(Hereinafter: «The Company»)**

**Tender Code: FHB 17/08**

1. The total registered share capital of the Company is expressed in the following structure: 83.90132% shares owned by the Share Fund of the Republic of Serbia (hereinafter «the Block of Shares») and 16.09868% shares owned by individual shareholders.
2. The Agency offers for sale the Block of Shares, at a minimal starting price of EUR 1.67 million (onemillionsixhundredandseventy thousand euros) in RSD counter value, calculated according to the average exchange rate of the National Bank of Serbia on the day of bids opening.
  - 2.a. The bidder will be obliged to make an offer for all shares of the Company (100%), as the Share fund of the Republic of Serbia will publish an invitation to all remaining individual shareholders to join their shares to the Share fund's portfolio, in the process of sale, following the signing of the Sale and Purchase Agreement of the Block Shares.

**3. Details about the Company:**

Address: Prilazni put Ada Huji 9, Beograd – Palilula, Serbia

Phone: +381 11 277 6333

Fax: +381 11 277 1193

Industry code: 21120 Paper and cardboard production

More details about the Company are available at:

[http://www.priv.yu/pregled\\_preduzeca/pdf/e-teaser\\_6189.pdf](http://www.priv.yu/pregled_preduzeca/pdf/e-teaser_6189.pdf)

Detailed information on the Company along with the Information Memorandum (hereinafter: «the Tender Documents») will be made available to all interested parties after signing the Confidentiality Agreement and purchasing the Tender Documents.

The Tender Documents fee is EUR 8,000 (eight thousand Euros) in RSD counter value, calculated according to the average exchange rate of the National Bank of Serbia on the day of the invoice issuance.

The Company has appointed Citadel Financial Advisory doo Belgrade (hereinafter: the Advisor) to act as the Advisor in this privatization procedure.

**4.** A bid may be submitted by:

**A.** A potential bidder who, on the day the bid submission, cumulatively fulfils the following requirements:

- Has purchased the Tender Documents,
- Has been engaged in paper and cardboard production and organized collection of used paper, for at least the last 3 (three) successive business years prior to the Public invitation, and has generated operating revenues of at least EUR 25 million in 2007

If a potential bidder is a parent company that does not fulfill the requirements of this clause of the Public Invitation, its subsidiary shall have the right to submit a bid if it fulfils the requirements. The subsidiary that fulfils the above mentioned conditions shall have the right to submit a bid if the parent company has purchased the Tender Documents.

If a potential bidder is a subsidiary that does not fulfill the requirements of this clause of the Public Invitation, its parent company shall have the right to submit a bid if it fulfils the stated requirements. The parent company that fulfils the above mentioned conditions shall have the right to submit the bid if the subsidiary has purchased the Tender Documents.

**B.** If a potential bidder is a consortium it is necessary that it cumulatively fulfills the following requirements:

- All consortium members have made a decision on organizing and entering into the consortium;
- All consortium members have signed a written Consortium Agreement and duly notarized it with the Court or with other competent authority (in case of foreign legal entities and individuals);
- Each consortium member assumes joint unlimited liability according to the provisions of the Consortium Agreement;
- The Consortium Agreement specifies each member's percentage stake in the acquisition of the Block of Shares of the Company, with one member of the consortium having at least 51% stake in the consortium (hereinafter: «the Consortium Leader»);
- 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 consortium member has purchased the Tender Documents and
- Consortium Leader cumulatively fulfils the following requirements:
  - o Has been engaged in paper and cardboard production and organized collection of used paper, for at least the last 3 (three) successive business years prior to the Public invitation, and has generated operating revenues of at least EUR 25 million 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 of the Company no later than **June 30, 2008**, 16:30 hrs (Belgrade time).

The Tender Documentation will be available to all interested parties as of **May 26, 2008**.

A written request for purchasing the Tender Documents shall be sent by post, e-mail or fax to the Advisor and shall clearly display the reference «*Request for purchasing the Tender Documents – Tender Code: FHB 17/08*».

Upon receipt of such request, an invoice for payment of the Tender Documents Fee, as well as the Confidentiality Agreement for signing, shall be forwarded to the tender participant's authorized

representative by post, e-mail or fax. The signed Confidentiality Agreement shall be immediately faxed and mailed back to the Advisor to the address below.

Upon receiving the signed Confidentiality Agreement, evidence of authorization for the person signing the Confidentiality Agreement and evidence of payment of the Tender Documents fee, the Advisor shall forward the relevant Tender Documents to the tender participant by mail/e-mail or hand it to its authorized representative, upon the expiration of the deadline from the paragraph 2 of this point.

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 the final binding offers for the shares stated in point 2 and point 2.a. is **July 15, 2008** at 16:30 hrs (Belgrade time).

If necessary, the Agency retains the right to amend all or specific elements, that is, conditions and/or deadlines of this Public Invitation. As a prerequisite for submitting the bid, it is required to pay a deposit or submit a Bid Bond in the amount of EUR 300,000 (three hundred thousand Euros).

**7.** All the questions relating to this Public Invitation should be directed to the contact persons stated below, in Serbian or English.

<b>Privatization Agency Of the Republic of Serbia</b>	<b>Citadel Financial Advisory (The Advisor)</b>
<b>Terazije 23 11000 Belgrade, Republic of Serbia Project Manager: Caslav Obradovic</b>	<b>Vladimira Popovica 6 11070 Belgrade, Republic of Serbia Project Manager Marina Marzik</b>
<b>Phone: (+38 11) 3020 855 Fax: (+38 11) 3020 816</b>	<b>Phone: (+381 11) 222 3456 Fax: (+381 11) 222 3481</b>