

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 announces a:

PUBLIC INVITATION

For participation in a public tender process
for the acquisition of a controlling interest in:

Fabrika Kablova Zajecar d.o.o., Zajecar

Tender Code: **FKZ/03**

1. Total registered capital of Fabrika kablova Zajecar d.o.o. is 1,209,417,000.00 Yugoslav Dinars, of which 51% is socially owned capital and 49% is the capital-share of RTB-Bor d.o.o..

The Agency offers for sale 84.7% of the capital of Fabrika Kablova Zajecar (hereinafter: "Entity undergoing privatization"), which consists of 70% of the socially owned capital, and 49% of the capital representing the total capital-share of RTB Bor d.o.o.

2. Details about the Entity undergoing privatization:

Address:	Negotinski put bb, Zajecar, Serbia and Montenegro
Phone Number:	+381 19 425 334
Fax Number:	+381 19 423 530
Industry:	Manufacturer of cables and conductors
Tender Code:	FKZ/03

General data about the Entity undergoing privatization is available at

www.priv.yu/pregled_preduzeca/pdf/teaser_618.pdf

Detailed information about the Entity undergoing privatization, 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), for sales tax;

3. The PA has appointed **Deloitte & Touche** 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 manufacturing and/or trading of **cables and conductors** in the last 18 (eighteen) months;
 - Had minimum operating income of **10 (ten) million USD** in 2002 according to the latest available audited/official financial statements;

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 submit a bid if its Subsidiary has purchased the Tender Documents.

If the potential Buyer is a consortium, the following requirements should be fulfilled:

- 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 capital of the Entity undergoing privatization;
 - All Consortium members have signed Notarised 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 manufacturing and/or trading of **cables and conductors** in the last 18 (eighteen) months;
 - At least one of the Consortium members had minimum operating income of **10 (ten) million USD** in 2002 according to the latest available audited/official financial statements;
5. The Agency hereby invites all interested parties to submit a written request for the purchase of the Tender Documents for the Entity undergoing privatization by **July 7th, 2003**. Tender Documents will be made available to the interested parties from **June 13th, 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, clearly marked with "Request for the purchase of Tender Documents – Tender Code FKZ/03".

Upon receiving the request, an invoice for payment of the Tender Documents Fee shall be forwarded to the authorized representative by the Privatization Agency.

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 evidence of payment of the Tender Documents Fee, The Advisor shall immediately send the relevant Tender Documents to the Tender Participant by mail, or hand it to the authorized representative.

The Advisor and the PA 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 **August 8th, 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 is **USD 100,000 (US Dollar one hundred thousand)**.
10. All communications or inquiries relating to this Invitation should be directed to the Advisor at the address below:

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