

In accordance with the Article 28 of the Law on Privatization ("Official Gazette of the Republic of Serbia", numbers 38/2001, 18/2003, 45/2005 and 123/07) and Articles 8 and 9 of the Law on the Share fund ("Official Gazette of the Republic of Serbia", numbers 38/2001, 45/2005)

PRIVATIZATION AGENCY

(hereinafter: "the Agency")
hereby announces:

PUBLIC INVITATION

For participation in the Public Tender
for sale of 71,05% of total capital of:

**Joint-stock company „Stari Tamiš“ for agriculture production Pančevo,
Kestenova 4**

(hereinafter: Entity undergoing privatization)

Tender Code: **ST 07/08**

1. The total registered capital of the Entity undergoing privatization consists of 83,03% socially-owned capital, 12,93% ownership of the Share Fund and 4,05% shareholders' capital.
2. The Agency offers for sale 70% of socially owned capital of the Entity undergoing privatization and 100% of share capital owned by Share Fund (32.849 shares CFI code: ESVUFR; ISIN number:RSSTAME94795 nominal share value 600 RSD), which represent together **71,05% of the total registered capital of the Entity undergoing privatization**
3. Data about the Entity undergoing privatization:

Address: Kestenova 4, 26000 Pančevo, Republic of Serbia

Phone: + 381 13 638 202

Fax: + 381 13 321 977

The main activities: *Cultivation of wheat and other crops and plants.*

More details about the Entity undergoing privatization are available at Internet address:

www.priv.yu/pregled_preduzeca/pdf/teaser_676.pdf

Detailed information on the Entity undergoing privatization along with the Information Memorandum (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 (Euro Eight thousand).

The Agency has appointed BC Consulting d.o.o. Belgrade to act as its Advisor in this privatization process (hereinafter: Consultant).

4. A bid may be submitted by:

A. Potential bidder that fulfills the following requirements:

- It has purchased the Tender Documents, and
- It fulfills one of the following conditions:

- a) It has been engaged in the activity of production and/or processing and/or trade of agricultural products for at least the last 3 years continually, and it achieved operating revenues of at least EUR 15.000.000 (Euro fifteen million) in 2007;
- b) **or** it is a Investor with total operating revenues of EUR 30.000.000 (Euro thirty 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 has the right to submit a bid if it fulfills the stated requirements. The subsidiary has 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 has the right to submit a bid if it fulfills the stated requirements. The Parent company has the right to submit a bid if the subsidiary has purchased the Tender Documents.

B. If a potential bidder is a Consortium it must cumulatively fulfill the following requirements:

- All consortium members made a valid decision to form and enter into Consortium;
- All consortium members have entered into a written Consortium Agreement and such agreement has been duly notarized with the court, or other competent body (in case of foreign legal entities and private entities);
- Each consortium member assumes joint and unlimited liability under the Consortium Agreement;
- Consortium Agreement specifies each member's percentage in acquisition of the capital of the Entity undergoing privatization, herewith that consortium member which has major share in consortium must have at least 51% of total share in consortium (hereinafter : "Majority Consortium Member");
- 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;
- Majority Consortium Member, fulfills one of the following requirements:
 - a) It has been engaged in the activity of production and/or processing and/or trade of agricultural products for at least the last 3 years continually, and it achieved operating revenues of at least EUR 15.000.000 (Euro fifteen million) in 2007;
 - b) **or** it is a Investor with total operating revenues of EUR 30.000.000 (Euro thirty million) in 2007;

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 **May 26th 2008**.

The Tender Documents will be available to interested parties from April 16th 2008.

A written request for purchasing the Tender Documents should be sent to Consultant by post, e-mail or facsimile to the address below, with clearly displayed reference „Request for purchasing the Tender Documents – Tender Code: **ST 07/08**“.

Upon receipt of the request, an invoice for payment of the Tender Documents Fee, as well as the Confidentiality Agreement for signature, will be delivered to the Tender Participant's authorized

representative by post, e-mail or facsimile. The signed Confidentiality Agreement should be immediately faxed and mailed back to Consultant at the address stated below.

Upon receipt of the signed Confidentiality Agreement, evidence of power of attorney for the authorized representative and evidence of payment of the Tender Documents Fee, the Consultant will immediately forward the relevant Tender Documents to the Tender Participant by mail/e-mail or hand it to its authorized representative.

Consultant and the Agency will 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 acquisition 71,05% of total registered capital of the Entity undergoing privatization by interested bidders is **June 23th 2008, by 16:30h** (Belgrade time). If necessary, the Agency reserves the right to amend or change the deadlines and conditions of the Public Invitation. As a prerequisite for submitting a bid, it is necessary to pay a deposit or submit a Bid Bond in the amount of **EUR 300.000 (Euro three hundred thousand)**.
7. All the questions relating to this Public Invitation should be directed to below address, in the Serbian and English.

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