

In accordance with the Article 28 of the Law on Privatization ("Official Gazette of the Republic of Serbia" nos. 38/2001 and 18/2003),
the Privatization Agency of the Republic of Serbia (hereinafter: "the Agency") hereby announces a:

PUBLIC INVITATION

For participation at a Public Tender for joint divestment of 70% of the socially owned capital and 70% of the state owned capital in the following companies:

- **Holding preduzece Industrija hidraulike i pneumatike "Prva Petoletka" AD Trstenik;**
- **Preduzece za proizvodnju hidraulickih uredjaja i sistema "PPT – Hidraulika" AD Trstenik;**
- **Preduzece za proizvodnju hidraulickih cilindara "PPT – Cilindri" AD Trstenik;**
- **Preduzece za proizvodnju hidraulickih servoupravljacka "PPT – Servoupravljacki" AD Trstenik;**
- **Preduzece za proizvodnju delova za hidrauliku "PPT – Delovi" AD Novi Pazar;**
- **Preduzece za proizvodnju kocne tehnike "PPT – Kocna tehnika" AD Trstenik;**
- **Preduzece za proizvodnju namenskih proizvoda "PPT – Namenska" AD Trstenik;**
- **Preduzece za proizvodnju industrijske pneumatike "PPT – Industrijska pneumatika" AD Trstenik;**
- **Preduzece za proizvodnju zaptivki "PPT – Zaptivke" AD Trstenik;**
- **Preduzece za proizvodnju armatura "PPT – Armature" AD Aleksandrovac;**
- **Preduzece za proizvodnju uredjaja i delova "PPT – FUD" AD Brus;**
- **Preduzece za projektovanje i inzenjering "PPT – Inzenjering" AD Beograd;**
- **Preduzeće za tehnolosko-metalursku obradu "PPT – TMO" AD Trstenik;**
- **Preduzece za održavanje, remont, proizvodnju i distribuciju energije "PPT – Remont i energetika" AD Trstenik;**
- **Preduzece za ugostiteljske usluge "PPT – Ishrana" AD Trstenik.**

(hereinafter, collectively: Entities undergoing privatization)

Tender Code: PPT/04

1. Total registered capital of the **Holding preduzece Industrija hidraulike i pneumatike "Prva Petoletka" AD Trstenik** (hereinafter: "the Holding Company") consists of 98.83% socially owned capital, 1.09% share capital of the Development Fund of the Republic of Serbia and 0.08% share capital owned by the employees. The Agency offers for sale 70% of socially owned capital of this Entity undergoing privatization.

Total registered capital of the **Preduzece za proizvodnju hidraulickih uredjaja i sistema "PPT – Hidraulika" AD Trstenik** consists of 47.98% socially owned capital, 51.00% share capital owned by the Holding Company and 1.02% share capital owned by the employees. The Agency offers for sale 70% of socially owned capital of this Entity undergoing privatization.

Total registered capital of the **Preduzece za proizvodnju hidraulickih cilindara "PPT – Cilindri" AD Trstenik** consists of 48.46% socially owned capital, 51.00% share capital owned by the Holding Company and 0.54% share capital owned by the employees. The Agency offers for sale 70% of socially owned capital of this Entity undergoing privatization.

Total registered capital of the **Preduzece za proizvodnju hidraulickih servoupravljacka "PPT – Servoupravljacki" AD Trstenik** consists of 41.72% socially owned capital, 56.13% share capital owned by the Holding Company and 2.15% share capital owned by the employees. The Agency offers for sale 70% of socially owned capital of this Entity undergoing privatization.

Total registered capital of the **Preduzece za proizvodnju delova za hidrauliku "PPT – Delovi" AD Novi Pazar** consists of 49.00% socially owned capital and 51.00% share capital owned by the Holding Company. The Agency offers for sale 70% of socially owned capital of this Entity undergoing privatization.

Total registered capital of the **Preduzece za proizvodnju kocne tehnike "PPT – Kocna tehnika" AD Trstenik** consists of 48.40% socially owned capital, 51.44% share capital owned by the Holding Company and 0.16% share capital owned by the employees. The Agency offers for sale 70% of socially owned capital of this Entity undergoing privatization.

Total registered capital of the **Preduzece za proizvodnju namenskih proizvoda "PPT – Namenska" AD Trstenik** consists of 34.04% socially owned capital, 30.00% state owned capital, 35.43% share capital owned by the Holding Company and 0.53% share capital owned by the employees. The Agency offers for sale 70% of socially owned capital and 70% of state owned capital of this Entity undergoing privatization.

Total registered capital of the **Preduzece za proizvodnju industrijske pneumatike "PPT – Industrijska pneumatika" AD Trstenik** consists of 45.50% socially owned capital, 51.00% share capital owned by the Holding Company and 3.50% share capital owned by the employees. The Agency offers for sale 70% of socially owned capital of this Entity undergoing privatization.

Total registered capital of the **Preduzece za proizvodnju zaptivki "PPT – Zaptivke" AD Trstenik** consists of 39.90% socially owned capital, 60.00% share capital owned by the Holding Company and 0.10% share capital owned by the employees. The Agency offers for sale 70% of socially owned capital of this Entity undergoing privatization.

Total registered capital of the **Preduzece za proizvodnju armatura "PPT – Armature" AD Aleksandrovac** consists of 47.65% socially owned capital, 51.00% share capital owned by the Holding Company and 1.35% share capital owned by the employees. The Agency offers for sale 70% of socially owned capital of this Entity undergoing privatization.

Total registered capital of the **Preduzece za proizvodnju uredjaja i delova "PPT – FUD" AD Brus** consists of 50.08% socially owned capital, 47.42% share capital owned by the Holding Company and 2.50% share capital owned by the employees. The Agency offers for sale 70% of socially owned capital of this Entity undergoing privatization.

Total registered capital of the **Preduzece za projektovanje i inzenjering "PPT – Inzenjering" AD Beograd** consists of 46.00% socially owned capital, 51.01% share capital owned by the Holding Company and 2.99% share capital owned by the employees. The Agency offers for sale 70% of socially owned capital of this Entity undergoing privatization.

Total registered capital of the **Preduzeće za tehnolosko-metalursku obradu "PPT – TMO" AD Trstenik** consists of 19.36% socially owned capital, 79.80% share capital owned by the Holding Company and 0.84% share capital owned by the employees. The Agency offers for sale 70% of socially owned capital of this Entity undergoing privatization.

Total registered capital of the **Preduzece za održavanje, remont, proizvodnju i distribuciju energije "PPT – Remont i energetika" AD Trstenik** consists of 18.93%

socially owned capital, 80.91% share capital owned by the Holding Company and 0.16% share capital owned by the employees. The Agency offers for sale 70% of socially owned capital of this Entity undergoing privatization.

Total registered capital of the **Preduzece za ugostiteljske usluge "PPT – Ishrana" AD Trstenik** consists of 19.99% socially owned capital, 80.00% share capital owned by the Holding Company and 0.01% share capital owned by the employees. The Agency offers for sale 70% of socially owned capital of this Entity undergoing privatization.

2. Details about the Entities undergoing privatization:

Name: **Holding preduzece Industrija hidraulike i pneumatike "Prva Petoletka" AD Trstenik**

Address: Cara Dusana 101, 37240 Trstenik, Serbia and Montenegro

Phone: +381 37 712 248

Fax: +381 37 713 790

Industry: Holding activity

Name: **Preduzece za proizvodnju hidraulickih uredjaja i sistema "PPT – Hidraulika" AD Trstenik**

Address: Cara Dusana 101, 37240 Trstenik, Serbia and Montenegro

Phone: +381 37 711 511

Fax: +381 37 714 573

Industry: Production of vehicle parts and equipment

Name: **Preduzece za proizvodnju hidraulickih cilindara "PPT – Cilindri" AD Trstenik**

Address: Cara Dusana 101, 37240 Trstenik, Serbia and Montenegro

Phone: +381 37 713 325

Fax: +381 37 714 534

Industry: Production of vehicle parts and equipment

Name: **Preduzece za proizvodnju hidraulickih servoupravljacka "PPT – Servoupravljacki" AD Trstenik**

Address: Cara Dusana 101, 37240 Trstenik, Serbia and Montenegro

Phone: +381 37 714 434

Fax: +381 37 714 668

Industry: Production of vehicle parts and equipment

Name: **Preduzece za proizvodnju delova za hidrauliku "PPT – Delovi" AD Novi Pazar**

Address: Mihaila Pupina bb, 36300 Novi Pazar, Serbia and Montenegro

Phone: +381 20 312 033

Fax: +381 20 24 943

Industry: Production of vehicle parts and equipment

Name: **Preduzece za proizvodnju kocne tehnike "PPT – Kocna tehnika" AD Trstenik**

Address: Cara Dusana 101, 37240 Trstenik, Serbia and Montenegro

Phone: +381 37 711 680

Fax: +381 37 714 587

Industry: Production of vehicle parts and equipment

Name: **Preduzece za proizvodnju namenskih proizvoda "PPT – Namenska" AD Trstenik**

Address: Cara Dusana 101, 37240 Trstenik, Serbia and Montenegro

Phone: +381 37 711 596

Fax: +381 37 713 871

Industry: Production of aircrafts and spaceships

Name: **Preduzece za proizvodnju industrijske pneumatike "PPT – Industrijska pneumatika" AD Trstenik**

Address: Cara Dusana 101, 37240 Trstenik, Serbia and Montenegro

Phone: +381 37 712 232

Fax: +381 37 713 870

Industry: Production of professional equipment

Name: **Preduzece za proizvodnju zaptivki "PPT – Zaptivke" AD Trstenik**

Address: Cara Dusana 101, 37240 Trstenik, Serbia and Montenegro

Phone: +381 37 711 745

Fax: +381 37 714 637

Industry: Production of other rubber products

Name: **Preduzece za proizvodnju armatura "PPT – Armature" AD Aleksandrovac**

Address: Krusevacka 30, 37230 Aleksandrovac, Serbia and Montenegro

Phone: +381 37 752 112

Fax: +381 37 752 105

Industry: Production of vehicle parts and equipment

Name: **Preduzece za proizvodnju uredjaja i delova "PPT – FUD" AD Brus**

Address: 8 marta bb, 37220 Brus, Serbia and Montenegro

Phone: +381 37 825 160

Fax: +381 37 825 372

Industry: Production of vehicle parts and equipment

Name: **Preduzece za projektovanje i inzenjering "PPT – Inzenjering" AD Beograd**

Address: Bulevar Vojvode Misica 37-39, 11 000 Beograd, Serbia and Montenegro

Phone: +381 11 3690 168

Fax: +381 11 3690 479

Industry: Engineering

Name: **Preduzece za tehnolosko-metalursku obradu "PPT – TMO" AD Trstenik**

Address: Cara Dusana 10137240 Trstenik, Serbia and Montenegro

Phone: +381 37 712 368

Fax: +381 37 714 649

Industry: Production of vehicle parts and equipment

Name: **Preduzece za odrzavanje, remont, proizvodnju i distribuciju energije "PPT – Remont i energetika" AD Trstenik**

Address: Cara Dusana 101, 37240 Trstenik, Serbia and Montenegro

Phone: +381 37 711 492

Fax: +381 37 714 387

Industry: Other overhaul services

Name: **Preduzece za ugostiteljske usluge "PPT – Ishrana" AD Trstenik**

Address: Cara Dusana 101, 37240 Trstenik, Serbia and Montenegro

Phone: +381 37 711 443

Fax: +381 37 714 693

Industry: Catering

More details about the entities undergoing privatization are available at <http://www.priv.yu/>

Detailed information on the entities undergoing privatization 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 5,000.00 (Euro five thousand) plus EUR 1,000.00 (Euro one thousand) sales tax.

The Agency has appointed Consulting company FACTIS d.o.o. ("FACTIS") to act as a Consultant in this privatization process.

3. Following parties may submit a bid:

(i) A potential bidder that fulfills the following requirements:

- Has purchased the Tender Documents; and
- That it:
 - a) has either been engaged in production or sale of metal products for at least the last 5 years, and with this business activity achieved a total revenue in excess of EUR 50 million (Euro fifty million) in 2003;
 - b) or is a Financial Investor (whose core business is investment of money, that exists for at least 3 years, and includes investment companies, mutual funds, insurance companies, pension funds and investment banks) with a minimum of EUR 100 million (Euro one hundred million) in total business assets in 2003;
 - c) or is an Investor that achieved a total revenue of more than EUR 100 million (Euro one hundred million) in 2003.

If a Potential Bidder is a subsidiary that does not fulfill the requirements of this Clause of the Public Invitation, the right to submit a bid has its parent company if it fulfills the stated requirements. The parent company has the right to submit the bid if the subsidiary has purchased the Tender Documents.

If a Potential Bidder is a parent company that does not fulfill the requirements of this Clause of the Public Invitation, the right to submit a bid has its subsidiary if it fulfills the stated requirements. The subsidiary has the right to submit the bid if the parent company has purchased the Tender Documents.

(ii) If a Potential Bidder is a Consortium it is necessary that it fulfills the following requirements:

- All Consortium members have made the decision on organizing and entering into the Consortium;
- That all the Consortium members have made a written Consortium Agreement and notarized it at the Court;
- Each member of the Consortium assumes a several and joint unlimited liability by the provisions of the Consortium Agreement;
- The Consortium Agreement specifies each member's percentage in the acquisition of the capital of the Entity undergoing privatization;
- 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 of the Consortium members has purchased the Tender Documents;
- At least one of the Consortium members with the share in the Consortium of not less than 51% fulfills one of the following requirements:
 - a) It has been engaged in production or sale of metal products for at least the last 5 years, and with this business activity achieved a total revenue in excess of EUR 50 million (Euro fifty million) in 2003;
 - b) It is a Financial Investor (whose core business is investment of money, that exists for at least 3 years and includes investment companies, mutual funds, insurance companies, pension funds and investment banks) with a minimum of EUR 100 million (Euro one hundred million) in total business assets in 2003;
 - c) It is an Investor that achieved a total revenue of more than EUR 100 million (Euro one hundred million) in 2003.

4. The Agency hereby invites all interested parties to submit a written request for the purchase of the Tender Documents for the Entities undergoing privatization, by **January 14th 2005**;

The Tender Documents shall be available to the interested parties starting from December 22nd 2004.

The written request for purchasing the Tender Documents shall be sent by post, e-mail or facsimile to FACTIS and shall clearly display the reference "Request for purchasing the Tender Documents – Tender Code PPT/04".

Upon receiving the request, an invoice for paying the Tender Documents Fee as well as the Confidentiality Agreement for signature shall be forwarded to the Tender Participant's authorized representative by post, e-mail or facsimile. The signed Confidentiality Agreement shall be immediately faxed and mailed back to FACTIS to the address below.

Upon receiving the signed Confidentiality Agreement and evidence of payment of the Tender Documents Fee, FACTIS shall immediately forward the relevant Tender Documents to the Tender Participant by mail or hand it to its authorized representative.

FACTIS and the Agency shall not be held liable for any loss or delay that may occur in the delivery of any document.

5. The deadline for submission of the final binding offers for the purchase of the capital is **March 1st 2005, at 05:00 p.m. (Belgrade time)**. If necessary, the Agency reserves the right to amend the deadlines of this 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 50,000.00 (Euro fifty thousand).

6. All the questions relating to this Public Invitation should be directed to FACTIS contact persons below:

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Dzordza Vasingtona 54, 11000 Belgrade, Serbia & Montenegro
Tel No: + 381 11 323 10 55
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E-mail: factis@eunet.yu