

Pursuant to Restructuring Program dated March 29, 2010 by AD for Designing, Production and Overhauling of Railway Vehicles, Processing and Transport Equipment and Steel Made Structures BRATSTVO Subotica, no. 2 Bikovacki Put Street – in restructuring (hereinafter: «the Company»), Amendments no. 1 to Restructuring Program as of May 25, 2010, the Decision made by the Company's Assembly no. 10-SA/100 dated March 29, 2010, the Decision made by the Company's Assembly no. 16-SA/100 as of May 25, 2010, Privatization Agency's Decision on Acceptance of the Restructuring Program of the Entity Undergoing Privatization dated March 30, 2010 (registered under no. 10-1451/10-2239/02 on April 01, 2010), Privatization Agency' Decision on Acceptance of Amendments no.1 to Restructuring Program of the Entity Undergoing Privatization as of May 25, 2010 (registered under no. 10-2076/10-2239/02 on May 25, 2010) and Agreement on Power of Attorney certified at First Basic Court in Belgrade II Cr. No. 2372/2010 as of April 12, 2010 and Annex no. 1 to the Agreement on the Power of Attorney certified at First Basic court in Belgrade II Cr. No. 3730/2010 as of May 27, 2010, and in line with Article 28 of the Law on Privatization («Official Gazette of the RoS » nos. 38/2001, 18/2003, 45/2005 , 123/2007 and 30/2010) and Article 9 of the Law on Privatization («Official Gazette of the RoS » nos. 38/200, 135/2004 and 30/2010), The Privatization Agency (hereinafter «the Agency»), together with the Company hereby announces:

## PUBLIC INVITATION

For participation in public tender for the property sale of  
**AD BRATSTVO Subotica – in restructuring**  
“as is”

Tender Code **BRS 06/10**

### 1. Subject of Sale

The subject of sale is the functional property of the Company which consists of the immovable assets – building structures with corresponding infrastructure and the belonging right over the land that covers the area of 16 ha, 99a and 68m<sup>2</sup>, on the cadastre lot no. 37030 KO Donji Grad, equipment, supplies of raw material, spare parts, small inventory, unfinished production, final products and technical documentation the detailed list of which shall be presented to all participants in tender (hereinafter "Participants" or "Participant") within Tender Documents. The assets are offered for sale “as is”, without the possibility of any subsequent complaints.

### 2. Information on the Company and the Subject of Sale

Registered Seat: No. 2 Bikovacki Put Street, 24 106 Subotica, Republic of Serbia  
Phone: +381 24 566 800  
Fax: +381 24 566 300  
Main Activity: Production of Railway Vehicles

More detailed information on the Company and the Subject of Sale, as well as Instructions to Bidders (hereinafter: «Tender Documents ») shall be made available to all interested participants in tender procedure after signing the Confidentiality Agreement and payment of the Tender Documents Fee.

The Tender Documents Fee is **EUR 10.000** (euro ten thousand) in RSD counter value according to the mean exchange rate of the National Bank of Serbia at the invoicing date.

### 3. Minimum Price

**Minimum Price** for the Subject of Sale is: **EUR 5.400.000** (euro five million four hundred thousand).

#### 4. Continuity of Core Activity

The continuity of production/core activity is a mandatory request that must be fully accepted by the Buyer and entails the commitment of the Buyer to continue with performance of activities including designing and/or production and/or repair of railway vehicles, processing and transport equipment and steel made structures **in the period of next 5 years.**

#### 5. Minimum Social Program

Minimum social program is a mandatory request that must be fully accepted by the Buyer and entails taking over all employees that remain in the Company after implementation of the social program that shall be carried out until signing of the sale and purchase agreement, together with the unit which is the subject of sale.

The integral part of the Sale Documents is the list of persons employed in the Company including their full names, occupational structure, working positions in the Company and number of working years. The Buyer shall be obliged not to lay off the taken over employees on redundancy basis, in the period of three years.

#### 6. Minimum Investment Program

Minimum investment program is: **EUR 3.000.000** (euro three million).

The Buyer is obliged to realize the Minimum Investment Program into the fixed assets for performing the activities of designing and/or production and/or repair of the railway vehicles, processing and transport equipment and steel made structures, in the period of **five years.**

#### 7. A Bid may be submitted by:

A. A Participant that meets the following requirements:

- It has purchased the Tender Documents,
- It has signed the Confidentiality Agreement, and
- It fulfills the following two conditions:
  - a) it has been engaged in production of the railway vehicles, wagon cars and wheeled car supports over the past five years,
  - and
  - b) it has generated an operating income in 2009 of at least EUR 15.000.000 (euro fifteen million).

If an interested Participant is a parent company that does not fulfill the conditions of this clause of Public Invitation, its subsidiary shall have the right to submit a bid if it fulfills the stated conditions. The subsidiary that fulfills the abovementioned conditions shall have the right to submit a bid if the parent company has purchased the Tender Documents.

If an interested subsidiary does not fulfill the conditions of this clause of Public Invitation, its parent company shall have the right to submit a bid if it fulfills the stated conditions. The parent company that fulfills the abovementioned conditions shall have the right to submit the bid if its subsidiary has purchased the Tender Documents

The Bidder or the Buyer can also be a subsidiary company in which the parent company has 100% stake, if it cumulatively fulfills the following conditions:

- The parent or subsidiary company has purchased the Tender Documents,
- The parent company has been engaged in production of railway vehicles, wagon cars and wheeled car supports over the last five years prior to the day of announcing this Public Invitation,

- The parent company has realized the operating income in 2009 of at least EUR 15.000.000 (euro fifteen million) and
- The parent company assumes unlimited joint and several liability for fulfillment of all liabilities of its subsidiary related to this tender.

B. If the interested Participant is a Consortium, it must cumulatively fulfill the following conditions:

- All Consortium members have adopted the Decision on organizing and entering the Consortium;
- All Consortium members have concluded a written Consortium Agreement and certified it with the court, i.e. other competent body (in case of foreign legal entities and natural persons);
- Each Consortium member has assumed unlimited joint and several liability for liabilities related to this Tender, in accordance with the Consortium Agreement;
- All Consortium members have signed a certified Power of Attorney for the member representing the Consortium;
- All Consortium members have signed the Confidentiality Agreement;
- An authorized Consortium Representative has purchased the Tender Documents, and
- Consortium Agreement specifies each member's percentage in acquisition of the capital of the Subject of Sale, herewith that the consortium member that has major share in consortium must have at least 51% of total share in consortium (hereinafter: Consortium Leader).
- Consortium Leader shall fulfill the following two conditions:
  - a) it has been engaged in production of railway vehicles, wagon cars and wheeled car supports over the last 5 years,
  - and
  - b) it has realized the operating income in 2009 of at least EUR 15.000.000 (euro fifteen million).

Consortium Leader may also be a subsidiary company in which the parent company has 100% share in capital, under the following cumulatively fulfilled conditions:

The parent company has been engaged in production of railway vehicles, wagon cars and wheeled car supports over the last 5 years prior to the date of this Public Invitation,

- The parent company has realized the operating income in 2009 of at least EUR 15.000.000 (euro fifteen million) and
- The parent company has unlimited joint and several liability for assuming all the liabilities of that company that are related to this tender.

## 8. Purchase of Tender Documents

The Agency is hereby inviting all interested participants to submit a written request for purchasing the Tender Documents and to pay the Tender Documents Fee by no later than by June 21, 2010.

**Tender Documents will be made available for interested parties from June 03, 2010.**

A written request for purchasing the Tender Documents shall be submitted to the Agency by mail, e-mail or facsimile, clearly marked with "Request for purchasing the Tender Documents – Tender Code: «BRS 06/10».

Upon receiving the request, an invoice for payment of the Tender Documents Fee and the Confidentiality Agreement for signature, shall be forwarded to the Participant's authorized representative by mail, email or facsimile. Duly signed Confidentiality Agreement shall be immediately faxed and mailed back to the address indicated in item 11 of this Public Invitation.

Upon receipt of the signed Confidentiality Agreement, evidence of the authorization for the person who signed the Confidentiality Agreement, and evidence of payment of the Tender Documents Fee, the

Agency shall, upon expiry of the deadline under paragraph 2 of this item, deliver the Tender Documents to the Participant by mail/e-mail, or hand it to its authorized representative.

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

#### **9. Submission of Final Written Bids**

The deadline for submission of final binding Bids for acquisition of the Subject of Sale by interested Participants is **June 30, 2010** until **16:30** hours (CET).

The Agency shall retain the right to amend terms and deadlines in this Public Invitation, if necessary.

#### **10. Deposit / Bid Bond**

As a prerequisite for bid submission, it is necessary to **pay the Deposit or submit a Bid Bond in the amount of EUR 300.000 (euro three hundred thousand)**.

#### **11. Further Inquires and Clarifications**

All inquiries related to this Public Invitation should be directed to the Agency at the address bellow:

#### **Privatization Agency of the RS**

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