

In accordance with Article 28 of the Law on Privatization (Official Gazette of the Republic of Serbia Nos. 38/2001 and 18/2003), the **Privatization Agency** (hereinafter “**Agency**”) hereby issues a:

PUBLIC INVITATION

for participation in a Tender Process for divestment of 100% of the total registered capital of:

DP “Filip Kljajić”, Kragujevac - in restructuring

Tender Code: FKLJAJIC 06/05

1. Total registered capital of DP Industrija galovih i tehnickih lanaca, transportnih i skladišnih sistema “Filip Kljajić”, Kragujevac - u restrukturiranju (hereinafter “**Entity undergoing privatization**”) consists of 93.46% of the socially owned capital and 6.54% of the capital owned by the Development Fund of the Republic of Serbia.

In accordance with Article 25, paragraph 3 of the Law on Privatization, the Agency is offering for sale 100% of the total capital of the Entity undergoing privatization.

2. Details about the Entity undergoing privatization:

Address:	Dragoslava Srejovića 49, Kragujevac, Republic of Serbia, Serbia & Montenegro
Phone Number:	+381 (34) 332-333
Fax Number:	+381 (34) 333-712
Industry:	production of various types of industrial chains, transport and warehousing systems and machines, tools and equipment

More details about the Entity undergoing privatization is available at:

http://www.priv.yu/pregled_preduzeca/pdf/e-teaser_373.pdf

Detailed information about the Entity undergoing privatization, along with the Information Memorandum (hereinafter “**the Tender Documents**”), will be made available to all interested parties upon signing of the Confidentiality Agreement and purchase of the Tender Documents.

3. The Agency has appointed Nomura International plc, United Kingdom, to act as the advisor in the privatization procedure (hereinafter: “**Advisor**”).
4. A bid may be submitted by:
 - A. A potential bidder that fulfils the following requirements:
 - Has purchased the Tender Documents;
 - Fulfils one of the following requirements:
 - a) Has either been engaged in production and/or processing and/or trade in the metallurgy sector or production and/or processing and/or trade in industrial chains or conveyor systems or warehousing systems or machine parts or tools for at least the last 3 financial years continuously and achieved operating revenues of at least EUR 10 million (ten million) in 2004;
 - b) Or is a financial investor (legal entity whose main activity is investment of funds, that has been established for at least the last 3 financial years and includes investment companies,

mutual funds, insurance companies, pension funds and investment banks) with total assets in excess of EUR 20 million (twenty million) in 2004;

- c) Or is an investor that achieved operating revenues in excess of EUR 20 million (twenty million) in 2004.

If the potential Bidder 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 stated requirements. The Subsidiary may submit a bid if the Parent company has purchased the Tender Documents.

If the potential Bidder 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 stated requirements. The Parent company may also submit a bid if its Subsidiary has purchased the Tender Documents.

- B. If the 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 the Consortium;
- All Consortium members have signed a Consortium Agreement and such Agreement has been authenticated the court or another relevant authority (in case of foreign legal and natural persons);
- Each member of the Consortium assumes unlimited, joint and several liability by the provisions of the Consortium Agreement;
- The Consortium Agreement specifies each member's percentage in the acquired capital of the Entity undergoing privatization;
- All Consortium members have signed a Power of Attorney for a representing member of the Consortium, and such Power of Attorney has been court authenticated;
- All Consortium members have signed the Confidentiality Agreement;
- At least one of the Consortium members has purchased the Tender Documents;
- The member of the Consortium with the largest share in the Consortium fulfils one of the following requirements:

- b) Has either been engaged in production and/or processing and/or trade in the metallurgy sector or production and/or processing and/or trade in industrial chains or conveyor systems or warehousing systems or machine parts or tools for at least the last 3 financial years continuously and achieved operating revenues of at least EUR 10 million (ten million) in 2004;

- c) Or is a financial investor (legal entity whose main activity is investment of funds, that has been established for at least the last 3 financial years and includes investment companies, mutual funds, insurance companies, pension funds and investment banks) with total assets in excess of EUR 20 million (twenty million) in 2004;

- d) Or is an investor that achieved operating revenues in excess of EUR 20 million (twenty million) in 2004.

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 **19 August 2005**.

Tender Documents will be made available to interested parties starting from 1 July 2005.

The Tender Documents Fee is EUR 5,000 (five thousand Euros).

The written request for purchasing the Tender Documents shall be submitted to the Advisor, to the addresses stated below, by post or by e-mail or facsimile, and shall clearly display the reference "Request for the purchase of Tender Documents - Tender Code **"FKLJAJIC 06/05"**".

Upon receiving the request, the authorized representative of the Tender Participant will be sent an invoice for payment of the Tender Documents Fee and a Confidentiality Agreement for signature, by mail, e-mail, or facsimile. Signed Confidentiality Agreement shall be immediately faxed and posted back to the Advisor to the addresses below.

Upon receipt of the signed Confidentiality Agreement and confirmation of payment of the Tender Documents Fee, the Advisor shall following the expiry of the deadline stated in the second paragraph of this article, without delay send the relevant Tender Documents to the Tender Participant by post, e-mail or hand it to the authorized representative.

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 acquisition of the capital is **30 September 2005, at 17:00 hours (Belgrade time)**. The Agency reserves the right to amend the requirements and the deadline from the Public Invitation, if necessary. As a prerequisite for submitting a bid, participants are obliged to pay a deposit or submit a Bid Bond in the amount of EUR 50,000.00 (Euro fifty thousand).
7. All communications or inquiries relating to this Invitation should be directed to the Advisor at the address bellow:

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