



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 divestment of 70% of socially owned capital and 100% stake of the Development Fund of Republic of Serbia in the total registered capital of:

**HOLDING KOMPANIJA FABRIKA VAGONA KRALJEVO AD, Kraljevo**  
(hereinafter: Entity undergoing privatization)

Tender Code: FVK03/05

1. Total registered capital of the Entity undergoing privatization consists of 96,85% socially owned capital and 3,15% capital owned by Development Fund of Republic of Serbia.
2. The Agency offers for sale 70% of socially owned capital, i.e. 67,8% of the total registered capital of the Entity undergoing privatization and 100% stake of Development Fund of Republic of Serbia, i.e. 3,15 % of the total registered capital of the Entity undergoing privatization, who is the largest manufacturer of freight train cars and tanks in Serbia and Montenegro.
3. Details about the Entity undergoing privatization:  
Address: Industrijska 27, 36000 Kraljevo, Serbia and Montenegro  
Phone: +381 36 22 566  
Fax: +381 36 24 382  
Industry: Production and processing of railway wagons - freight wagons, containers, special purpose wagons, tanks and production of processing equipment

More details about the entity undergoing privatization are available at:  
[http://www.priv.yu/pregled\\_preduzeća/pdf/e-teaser\\_404.pdf](http://www.priv.yu/pregled_preduzeća/pdf/e-teaser_404.pdf)

Detailed information on the entity undergoing privatization along with the Information Memorandum (hereinafter "the Tender Documents") will be made available to all interested parties after signing the Confidentiality Undertaking and purchasing the Tender Documents.

The Tender Documents fee is EUR 5,000.00 (Euro five thousand).

The Agency has appointed Meinl Capital Advisors AG (hereinafter: Advisor) to act as the consultant in this privatization process.

4. 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 of railway wagons and/or processing equipment for at least the last 3 years in continuity, and achieved with this business activity a revenue in excess of EUR 10 million (Euro ten million) in 2004;
      - b) or is a Financial Investor (legal entity 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 50 million in total operating assets in 2004;
      - c) or is an Investor that achieved a revenue of more than EUR 50 million (Euro fifty million) in 2004.

If a Potential Investor 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 right to submit the bid if the parent company has purchased the Tender Documents.

If a Potential Investor 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 right to submit the bid if the subsidiary has purchased the Tender Documents.

- (ii) If a Potential Investor is a Consortium it is necessary that it fulfills the following requirements on cumulative basis:
- All Consortium members have made the decision on organizing and entering into the Consortium;
  - All the Consortium members have made a written Consortium Agreement and notarized it at the competent authority, in case of foreign legal or natural entity;
  - 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 fulfills one of the following requirements:
- (a) It has been engaged in production of railway wagons and/or processing equipment for at least the last 3 years in continuity, and achieved with this business activity a revenue in excess of EUR 10 million (Euro ten million) in 2004;
- (b) or is a Financial Investor (legal entity 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 50 million in total operating assets in 2004;
- (c) or is an Investor that achieved a revenue of more than EUR 50 million (Euro fifty million) in 2004.

5. The Agency hereby invites all the interested parties to submit a written request for the Tender Documents for the entity undergoing privatization, by **May 13<sup>th</sup> 2005**;

**The Tender Documents shall be available to the interested parties starting from April 8<sup>th</sup> 2005.**

The written request for purchasing the Tender Documents shall be sent to Advisor by post to its Belgrade address, e-mail or facsimile and shall clearly display the reference "Request for Purchasing Tender Documents – Tender Code FVK03/05.

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 Advisor to the Belgrade address below.

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

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 by the interested Bidders for acquisition of capital in the Entity undergoing privatization offered for sale in this Public Invitation is **June 30<sup>th</sup> 2005, at 05:00 p.m.** (Belgrade time).

If necessary, the Agency reserves the right to amend the terms and 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).



7. All the questions relating to this Public Invitation should be directed to Advisor, in Serbian or English language, at the address below:

Svetla Pehlivanova  
Meinl Capital Advisors AG  
Jasomirgottstrasse 6  
A-1010 Vienna, Austria  
Tel.: +43 1 53188 753  
Fax: +43 1 53188 777  
E-mail: [pehlivanova@meinbank.com](mailto:pehlivanova@meinbank.com)

Dr. Miroljub Hadžić  
Meinl Capital Advisors AG  
Knežinke Zorke 77/I  
11000 Belgrade, Serbia and Montenegro  
Tel.: +381 11 3086 121;  
Fax: +381 11 3086 122;  
E-mail: [hadzic@mca.net.yu](mailto:hadzic@mca.net.yu)