

In accordance with the Article 28 of the Law on Privatization (“Official Gazette of the Republic of Serbia” nos. 38/2001, 18/2003 and 45/2005),  
**the Privatization Agency** (hereinafter: “the Agency”)  
hereby announces a:

**PUBLIC INVITATION**

For participation in the Public Tender for divestment of 100% of total registered capital of the company:

**DP HIP – Azotara Pancevo – in restructuring**  
(hereinafter: “Entity undergoing privatization”)  
Tender Code: **AZO 10/05**

1. The total registered capital of the Entity undergoing privatization consists of 100% of socially owned capital.

The Agency offers for sale 100% of socially owned capital of the Entity undergoing privatization, a single domestic producer of artificial fertilizers.

2. Details about the Company:

Address: Spoljnostarcevačka 80, 26000 Pancevo, Serbia & Montenegro

Phone: +381 13 345 953

Fax: +381 13 348 861

Industry: Production of artificial fertilizers and nitric compounds.

More details about the Entity undergoing privatization are available at:

[http://www.priv.yu/pregled\\_preduzeca/pdf/e-teaser\\_374.pdf](http://www.priv.yu/pregled_preduzeca/pdf/e-teaser_374.pdf)

Detailed information on the Entity undergoing privatization, along with the Information Memorandum (hereinafter “the Tender Documents”) will be made available to all interested tender participants after signing the Confidentiality Agreement and payment of the Tender Documents Fee.

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

3. The Agency has appointed Consulting company FACTIS d.o.o. (hereinafter “the Consultant”) to act as Consultant in this privatization process.

4. Following parties may submit a bid:

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

- it has purchased the Tender Documents; **and**
- it fulfills one of the following requirements:
  - a) has either been engaged in production and/or sale of artificial fertilizers for at least the last 3 fiscal years continuously, and achieved total operating revenue of at least EUR 60 million (Euro sixty million) in 2004;
  - b) or is a Financial Investor (legal entity whose core business is investment of money, that exists for at least the last 3 fiscal years, and includes investment companies,

mutual funds, insurance companies, pension funds and investment banks), with a minimum of EUR 100 million (Euro hundred million) in total assets in 2004;

- c) or is an Investor that achieved operating revenue of more than EUR 90 million (Euro ninety million) in 2004.

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 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 right to submit the bid if the parent company has purchased the Tender Documents.

(B) If a potential bidder is a Consortium it is necessary that it fulfills cumulatively the following requirements:

- 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 Court or other legal body (in case of foreign legal entity or individual);
- 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, where at least one Consortium member has a stake in the Consortium of at least 51% ("Consortium Leader");
- 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 Consortium member has purchased the Tender Documents, **and**
- The Consortium Leader fulfills at least one of the following requirements:
  - a) It has been engaged in production and/or sale of artificial fertilizers for at least the last 3 fiscal years continuously, and achieved operating revenue in excess of EUR 60 million (Euro sixty million) in 2004;
  - b) It is a Financial Investor (legal entity whose core business is investment of money, that exists for at least the last 3 fiscal years, and includes investment companies, mutual funds, insurance companies, pension funds and investment banks), with a minimum of EUR 100 million (Euro hundred million) in total assets in 2004;
  - c) It is an Investor that has achieved operating revenue of more than EUR 90 million (Euro ninety million) in 2004.

5. The Agency hereby invites all the interested parties to submit a written request for purchasing the Tender Documents for the Entity undergoing privatization, by **November 28<sup>th</sup> 2005**;

**The Tender Documents shall be available to all the interested parties starting from November 4<sup>th</sup> 2005.**

The written request for purchasing the Tender Documents shall be sent by post, e-mail or facsimile to the Consultant and shall clearly display the reference "Request for purchasing the Tender Documents – Tender Code: **AZO 10/05**".

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 the Consultant to the address below.

Upon receiving the signed Confidentiality Agreement and evidence of payment of the Tender Documents Fee, the Consultant shall, upon expiration of deadline stated in paragraph 2. of this Clause, immediately forward the Tender Documents to the Tender Participant by mail/e-mail or hand it to its authorized representative.

The Consultant 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 100% of socially owned capital of the Entity undergoing privatization by interested bidders is **December 28<sup>th</sup> 2005, by 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).

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

<p><b>FACTIS d.o.o.</b></p> <p>Dzordza Vasingtona 54, 11000 Belgrade Serbia &amp; Montenegro</p> <p>Dr Zivana Olbina or Dr Nikola Zelic</p> <p>E-mail: <a href="mailto:factis@eunet.yu">factis@eunet.yu</a> Tel No: + 381 11 323 10 55 Fax No: + 381 11 323 46 77</p>	<p><b>Privatization Agency Republic of Serbia</b></p> <p>Terazije 23 11000 Belgrade Serbia &amp; Montenegro</p> <p>Danijel Susnjar Project Manager Public Tender Center</p> <p>E-mail: <a href="mailto:dsusnjar@priv.yu">dsusnjar@priv.yu</a> Phone: +381 11 30 29 966 Fax: +381 11 30 20 816</p>
---	---