

In accordance with the Article 28 of the Law on Privatization ("Official Gazette of the Republic of Serbia", numbers 38/2001, 18/2003 and 45/2005), Privatization Agency Republic of Serbia (hereinafter: "the Agency") hereby announces:

**PUBLIC INVITATION**  
For participation in the Public Tender  
for sale of 76.9% of total registered capital of:

**Socially Owned Company for Manufacturing Rubber and Chemical Products**  
**"TRAYAL KORPORACIJA" Krusevac**  
(hereinafter: Entity undergoing privatization)

Tender Code: **TRAYAL 09/06**

1. The total registered capital of the Entity undergoing privatization consists of 77% socially owned capital and 23% state-owned capital.
2. The Agency offers for sale 70% of the socially owned capital and 100% of the state-owned capital, which represents 76.9% of the total registered capital of the Entity undergoing privatization.
3. Data about the Entity undergoing privatization:  
Address: Milosa Obilica bb  
Phone: +381 37 422 328  
Fax: +381 37 23 517  
Operating activity: Production of rubber and chemical products

More details about the Entity undergoing privatization are available at Internet address:

[www.priv.yu/pregled\\_preduzeca/pdf/e-teaser\\_393.pdf](http://www.priv.yu/pregled_preduzeca/pdf/e-teaser_393.pdf)

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

The Tender Documents Fee is EUR 6,000 (Euro six thousand).

The Agency has appointed CES Mecon d.o.o. Belgrade to act as its Advisor in this privatization process (hereinafter: Consultant).

4. A bid may be submitted by:
  - A. Potential bidder that fulfils the following requirements:
    - It has purchased the Tender Documents, and
    - Fulfills at least one of the following requirements:

**Either**

- a) It has been engaged in production and/or trade of rubber products for the last 3 operating years continually, and it achieved total revenues of at least EUR 50,000,000 (Euro fifty million) in 2005;

**Or**

- b) is a Financial Investor (a legal entity whose core business is investment of money that exists at least 3 years, and includes investment companies, mutual funds, insurance companies, pension funds, and investment banks) with total operating assets in excess of EUR 100,000,000 (Euro one hundred million) in 2005;

**Or**

- c) is an investor that achieved operating revenues in excess of EUR 100,000,000 (Euro one hundred million) in 2005;

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

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

B. If a potential bidder is a Consortium it must fulfill the following requirements:

- All consortium members have made a valid decision to form and enter into Consortium;
- All consortium members have entered into a written Consortium Agreement and such agreement has been duly notarized with the Court or other competent body (in case of foreign legal entities and natural persons);
- Each consortium member assumes joint and several liability under the Consortium Agreement;
- Consortium Agreement specifies each member's percentage in 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 **and**
  
- At least one of the Consortium members fulfills at least one of the following requirements:

**Either**

- a) It has been engaged in production and/or trade of rubber products for the last 3 operating years continually, and it achieved total revenues of at least EUR 50,000,000 (Euro fifty million) in 2005;

**Or**

- b) Is a Financial Investor (a legal entity whose core business is investment of money that exists at least 3 years, and includes investment companies, mutual funds, insurance companies, pension funds, and investment banks) with total operating assets in excess of EUR 100,000,000 (Euro one hundred million) in 2005;

Or

- c) is an investor that achieved operating revenues in excess of EUR 100,000,000 (Euro one hundred million) in 2005;
5. The Agency hereby invites all parties interested in participation in the tender to submit a written request for the purchase of the Tender Documents for the Entity undergoing privatization, by **July 21<sup>st</sup> 2006**.

**The Tender Documents will be available to interested parties from June 12<sup>th</sup> 2006.**

A written request for purchasing the Tender Documents should be sent to the Consultant and the Agency by mail, e-mail or facsimile, at the address below, with clearly displayed reference "Request for purchasing the Tender Documents – Tender Code: **TRAYAL 09/06**".

Upon receipt of the request, an invoice for payment of the Tender Documents Fee, as well as the Confidentiality Agreement for signature, will be delivered to the Tender Participant's authorized representative by post, e-mail or facsimile. The signed Confidentiality Agreement should be immediately faxed and mailed back to Consultant at the address stated below.

Upon receipt of the signed Confidentiality Agreement, evidence of authorization for the person that signed Confidentiality Agreement and evidence of payment of the Tender Documents Fee, the Consultant will immediately forward the relevant Tender Documents to the Tender Participant by mail/e-mail or hand it to its authorized representative.

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 76.9% of the total registered capital of the Entity undergoing privatization by interested bidders is **August 18<sup>th</sup> 2006, by 17:00h (Belgrade time)**.

If necessary, the Agency reserves the right to amend all elements of this Public Invitation.

As a prerequisite for submitting a bid, it is required to pay a deposit or submit a Bid Bond in the amount of EUR 100,000 (Euro one hundred thousand).

7. All questions relating to this Public Invitation should be directed to below stated persons, in Serbian or English.

<p><b>CES Mecon d.o.o</b></p> <p>Danijelova 12-16 11 000 Belgrade Serbia and Montenegro</p> <p><b>Mr. Dusan Nikezic, Director</b></p> <p>E-mail: <a href="mailto:dusan.nikezic@cesmecon.com">dusan.nikezic@cesmecon.com</a> Phone: +381 11 3090 800 Fax: +381 11 3090 876</p>	<p><b>Privatization Agency, Republic of Serbia</b></p> <p>Terazije 23 11 000 Belgrade Serbia and Montenegro</p> <p><b>Mr. Caslav Obradovic, Project Manager</b> Public Tender Center</p> <p>E-mail: <a href="mailto:cobradovic@priv.yu">cobradovic@priv.yu</a> Phone: +381 11 30 20 855 Fax: +381 11 30 200 816</p>
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