

## **SALE OF COPPER MINES, SMELTER, and REFINERY in SERBIA**

Based on the Privatization and Restructuring strategy for RTB Bor adopted by the Resolution of the Government of the Republic of Serbia No. 023-1378/2006-001 on March 23, 2006 and the Decisions on adoption of the Restructuring Program made by RTB Bor Group Mining and Smelting Complex Bor d.o.o. (**RTB**), Mining and Smelting Complex – Group Copper Mines Bor d.o.o. (**RBB**), Mining and Smelting Complex – Group Copper Mine Majdanpek d.o.o. (**RBM**), and Mining and Smelting Complex – Group Smelter and Refinery d.o.o. (**TIR**) – (hereinafter “**Entities undergoing privatization**”) and the Privatization Agency (hereinafter “**Agency**”), the Agency together with the Entities undergoing privatization, in accordance with Article 28 of the Law on Privatization (Official Gazette 38/2001, 18/2003 and 45/2005) hereby issues a:

### **PUBLIC INVITATION**

for participation in a public tender for joint sale of the core assets of the Entities undergoing privatization, which consist of the following core asset sub-groups (the “**Assets**”):

**Copper Mines Bor**, including but not limited to: Veliki Krivelj open pit mine, Cerovo open pit mine, Jama underground mine, Borska Reka underground prospect, with flotation and other mining equipment.

**Copper Mines Majdanpek**, including but not limited to Majdanpek open pit mine, Coka Marin deposit, flotation and other mining equipment.

**Smelter and Refinery**, including but not limited to Smelter, Electrolysis, Sulphuric acid plant, energy facility, Transport, Foundry, Quarry and Copper wire plant, including Sinter metallurgy.

and the transfer of relating exploitation rights.

Tender Code: **RTB-01/06**

#### **1. Subject of Sale**

Subject of the joint sale are the core asset sub-groups of RBB, RBM and TIR, the comprehensive list of which shall be presented to the tender participants (hereinafter referred to as “**Participants**” or “**Participant**”) as a part of Tender Documents.

#### **2. Tender Documents**

Detailed information about the Subject of Sale (Information Memorandum) as well as the Instructions to Bidders (hereinafter referred to as “**Tender Documents**”) shall be made available to all the Participants upon signing of the Confidentiality Agreement and payment of the Tender Documents Fee.

Tender Documents Fee is USD 10.000,00 (ten thousand US Dollars) in CSD counter value at the middle exchange rate of the National Bank of Serbia at the day of invoicing.

The Agency has appointed CA IB Corporate Finance, Deloitte & Touche and Harrisons Solicitors to act as the advisors in the privatization procedure (hereinafter referred to as “**Advisor**”).

The Agency hereby invites all interested Participants to submit a written request for purchasing the Tender Documents by **October 6, 2006**.

Written request for purchasing the Tender Documents shall be submitted to the Advisor by mail, email or fax to the addresses stated below, and shall clearly display the reference «Request for purchasing the



Tender Documents – Tender Code RTB-01/06». Upon receipt of the request, the invoice for payment of the Tender Documents Fee and Confidentiality Agreement will be forwarded to Participant's authorized person by mail, email or facsimile. Duly signed Confidentiality Agreement shall be immediately faxed and mailed back to the Advisor to the address stated below.

Upon receipt of the signed Confidentiality Agreement, proof of the authorization for the person who signed the Confidentiality Agreement and the evidence of payment for the Tender Documents Fee, the Advisor shall deliver to the Participant the Tender Documents by mail/e-mail or hand it to its authorized representative.

The Advisor and the Agency will not be held liable in case of loss or delay in delivery of any of the documents.

### **3. Minimum price**

**The minimum price** for the subject assets amounts to **USD 266.650.000,00**  
**(two hundred sixty six million six hundred fifty thousand US Dollars)**

### **4. The Bid may be submitted by:**

A. Participant that fulfills the following requirements:

- it has purchased the Tender Documents, and
  - fulfills the following two conditions:
    - a) it has been engaged in production or processing or trade of copper or copper products or other non-ferrous metals for a period of the last two years as of the issuing date of this public invitation.
- and;
- b) in the previous business year, it generated revenues in excess of 40 million USD, or had total assets of more than 40 million USD, or at least 115 million USD in assets under management.

If the interested Participant is a parent company that does not fulfill the conditions stated in this Public Invitation, its subsidiary company has the right to submit the bid if it fulfills the stipulated conditions. In such case, the subsidiary has the right to submit the bid if the parent company has purchased the Tender Documents.

In case the interested subsidiary company does not fulfill the conditions stated in this Public Invitation its parent company has the right to submit the bid if it fulfills the conditions stipulated above. The parent company has the right to submit the bid if the subsidiary has purchased the Tender Documentation.

B. If the Participant is a Consortium it is necessary that it fulfills all the following conditions:

- All Consortium members passed the decision on organizing and entering into the consortium;
- All Consortium members have executed written Consortium Agreement and such Agreement is notarized either by the Court or by other relevant body (in case of foreign legal entities and natural persons);
- Any and all Consortium members undertake joint and several liability pursuant to the Consortium Agreement;
- The Consortium Agreement specifies each member's percentage in the acquisition of the Assets;
- All Consortium members have signed the notarized power of attorney for the member representing the Consortium;
- All Consortium members have signed the Confidentiality Agreement;



- The authorized Consortium representative has purchased the Tender Documents; and
- The Consortium, as the joint member body, fulfills the following two conditions:
  - a) it has been engaged in production or processing or trade of copper or copper products or other non-ferrous metals for a period of the last two years as of the issuing date of this public invitation.
  - and;
  - b) in the previous business year, it generated revenues in excess of 40 million USD, or had total assets of more than 40 million USD, or at least 115 million USD in assets under management.

#### **5. Submission of final written offers**

The deadline for the interested Participants to submit their final written offers for purchase of the subject Assets is **October 30, 2006** by 5:00 pm Belgrade time.

The Agency reserves the right to amend all or any element of this Public Invitation, if necessary.

As a prerequisite for bid submission, it is necessary to pay a deposit or to submit the Bid Bond in the amount USD 3.000.000,00 (three million US Dollars).

#### **6. Inquiries and additional clarifications**

All questions relating to this Public Invitation should be directed to the Advisor at the address below:

**CA IB Corporate Finance d.o.o.**

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