

Based on Article 28 of the Law on Privatization (Official Gazette of the Republic of Serbia 38/2001, 18/2003, 45/2005 and 123/07) and the Restructuring Program for RTB Bor Group, the Decision on Sale of the assets unit Lime Factory "Zagradje" and transfer of relevant exploitation rights as of October 9, 2009 no I/XLIV-1, Board of the limited liability company Rudnici Bakra Bor, and in compliance with the Law on Amendments to the Law on Mining (Official Gazette of the RoS no 34/2006), the Privatization Agency (hereinafter "**Agency**") together with Mining and Smelting Complex Bor – Group Copper Mines Bor Ltd in restructuring (**RBB**) hereby issues a:

PUBLIC INVITATION

for participation in public tender for sale of RBB assets unit
Lime factory «Zagradje»
on "as is" basis,

Tender Code: **ZAG 01/09**

1. Subject of sale and transfer or exploitation rights

The subject of the sale is a **Lime factory «Zagradje»**, an RBB assets unit, more closely described in Tender Documents (hereinafter: **the Subject of sale**) on "as is" basis.

The transfer of relevant exploitation rights shall be performed in line with Article 25 of the Law on Amendments to the Law on Mining (Official Gazette of the RoS no 34/2006).

2. A Bid may be submitted by

- A. An interested bidder that fulfills the following conditions:
- It has purchased the Tender Documents
 - It has signed the Confidentiality Agreement
 - It has been engaged in production of lime and stone for a period of 5 years prior to the date of this public invitation, and
 - That it generated an annual income from the sale of lime and stone exceeding the amount of EUR 25 million (Euro twenty five million), in the last business year

If an interested bidder is a subsidiary that does not fulfill the conditions of this clause of Public Invitation, its parent company shall have the right to submit a bid if it fulfils the stated conditions. The parent company that fulfils the abovementioned conditions shall have the right to submit the bid if its subsidiary has purchased the Tender Documents.

If an interested bidder is a parent company that does not fulfill the conditions of this clause of Public Invitation, its subsidiary shall have the right to submit a bid if it fulfils the stated conditions. The subsidiary that fulfils the abovementioned conditions shall have the right to submit a bid if the parent company has purchased the Tender Documents.

Subsidiary company in which the parent company has 51% stake can also be the Bidder or the Buyer, if it cumulatively fulfills the following conditions:

- The parent or subsidiary company has purchased the Tender Documents,
 - The parent company has been engaged in production of lime and stone for a period of 5 years prior to the date of this Public Invitation,
 - The parent company achieved an annual income from the sale of lime and stone exceeding the amount EUR 25 million (Euro twenty five million), in the last business year, and
 - The parent company assumes unlimited joint and several liability for fulfillment of all liabilities of its subsidiary related to this tender.
- B. If the interested bidder is a Consortium, it must cumulatively fulfil the following conditions:

- All Consortium members have adopted the Decision on organizing and entering the Consortium,
- All Consortium members have concluded a written Consortium Agreement and certified it with the court, i.e. other competent body (in the case of foreign legal entities and natural persons),
- Each Consortium member has assumed unlimited joint and several liability for liabilities arising from, or related to this Tender, in accordance with the Consortium Agreement,
- The Consortium Agreement specifies each member's percentage in the acquisition of the Subject of Sale
- All Consortium members have signed a certified Power of Attorney for the member representing the Consortium,
- All Consortium members have signed the Confidentiality Agreement,
- At least one Consortium member has purchased the Tender Documents
- All Consortium members have been engaged in production of lime and stone for a period of 5 years prior to the date of this Public Invitation
- Each Consortium member achieved an annual income from the sale of lime and stone exceeding the amount EUR 25 million (Euro twenty five million), in the last business year.

3. Minimum Price and Terms of Sale

Minimum Price for the subject assets is: **2,860,000 EUR (Euro two million eight hundred and sixty thousand)**.

In line with the Decree on Procedure and Manner on Restructuring Entities Undergoing Privatization (Official Gazette of the Republic of Serbia nos. 52/05 and 96/08), the Buyer of the assets of the entity undergoing privatization can pay the amount of the Purchase Price in maximum 6 annual installments. The first installment shall amount up to 30% of the Purchase Price and it shall be paid within deadlines set out in the Sale and Purchase Agreement, whereas the remaining amount of the Purchase Price shall be divided into five equal annual installments which shall be enlarged for the interest calculated at EURIBOR + 2%. The installments shall be expressed in EUR. If the Buyer is domestic legal entity or natural person, the annual installment shall be paid in RSD counter value calculated on the median exchange rate of the National Bank of Serbia on the installment due date.

4. Minimum Social Program

Minimum Social Program is a mandatory requirement that each Bidder must fully comply with, and entails taking over of 140 employees together with the assets unit being the Subject of Sale.

5. Minimum Investment Program

Minimum Investment Program is a mandatory requirement that each Bidder must fully comply with and entails the obligation of the Buyer to secure the minimum investment in the Subject of Sale in the amount of **1,000,000 EUR** within 5 years, in line with the Sale and Purchase Agreement and Agreement on Transfer of Exploitation Rights.

6. Continuity of Production

Continuity of Production is a mandatory requirement that each Bidder must fully comply with and entails the obligation of the Buyer to continue the production within the operating activity currently performed in the assets unit for a period of at least ten years, in line with the Sale and Purchase Agreement and Agreement on Transfer of Exploitation Rights, as well as to conclude the Agreement on Long-term Lime Supplies with the companies from RTB Bor Group, which is also an integral part of the Tender Documents.

7. Tender Documents

The Agency is hereby inviting all interested participants to submit a written request for purchasing the Tender Documents and to pay the Tender Documents Fee **no later than by October 30, 2009**.

The Tender Documents Fee is EUR 8,000.00 (Euro eight thousand).

Tender Documents will be made available to interested parties from **October 16, 2009**.

A written request for purchasing the Tender Documents shall be submitted to the Agency at the address below, by mail, e-mail or facsimile, clearly marked with "Request for purchasing the Tender Documents – Tender Code **ZAG- 01/09**".

Upon receiving the request, an invoice for payment of the Tender Documents Fee and the Confidentiality Agreement for signature, shall be forwarded to the Participant's authorized representative by mail, email or facsimile. Duly signed Confidentiality Agreement shall be immediately faxed and mailed back to the Agency to the addresses below.

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

The Agency shall not be held liable for any loss or delay that may occur in the delivery of any document.

8. Submission of Final Bids

The deadline for submission of Bids for acquisition of the subject asset by interested Participants is **November 9, 2009 at 16:30 hours (Belgrade time)**.

The Agency shall retain the right to amend any and/or all the elements of the Public Invitation, if necessary.

9. Deposit/ Bid Bond

As a prerequisite for bid submission, it is necessary to pay the Deposit or submit a Bid Bond in the amount of **EUR 300,000 (three hundred thousand Euros)**.

10. Further inquiries and clarifications

All inquiries related to this Public Invitation should be directed to the Agency at the address bellow:

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