

Pursuant to Article 28 of the Law on Privatization ("Official Gazette of the RoS", Nos. 38/2001, 18/2003, 45/2005 and 123/2007 – other law and 30/10 – other law) and Article 6 par. 1, item 5, Art. 9 and Art. 11v par. 3 of the Law on the Privatization Agency ("Official Gazette of the RoS", Nos. 38/2001, 135/2004 and 30/2010), par 2 and Art. 1.3.4 of the Rules of the Privatization Agency on Performing the Activities in the Name and on the Account of the Shareholder's Fund, in accordance with the Decision of the Privatization Agency no. 10-2196/11-3072/02 as of June 24, 2011 on the method of sale of shares, Decision of the Share Fund Council no. 10-111/12-int-4020 as of September 7, 2012 on the sale of shares outside of securities market and pursuant to Art. 7 and Art. 21b of the Decree on Sale of Capital and Assets through Public Tender ("Official Gazette of RoS" no. 45/2001, 59/2003, 110/2003; 52/2005, 1226/2007, 96/2008, 107/2008 and 98/2009) and pursuant to Art. 12 par. 6 of the Law on Right to Free Shares and Financial Compensation to the Citizens in the Privatization Process ("Official Gazette RoS" no. 123/2007 and 30/2010), the Privatization Agency (hereinafter referred to as "the Agency")

hereby issues

**Public invitation
for participation in the Summary Procedure Public Tender
for sale of 72,894% of registered capital**

**of the Company "POTISJE – PRECIZNI LIV"
Joint Stock Company for precision iron casting Ada**

(Hereinafter: «Company Undergoing Privatization»)

Tender Code: POT 04/12

1. Total registered capital of the Company Undergoing Privatization consists of 72,79071% of the capital owned by the Privatization Agency, 0,10329% of the capital owned by the Shareholder's Fund a.d. Belgrade and 27.106% of the capital owned by other shareholders.

2. The Agency is offering for sale the Block of Shares consisting of 60.693 shares CFI-code ESVUFR; ISIN-No; RSPPLAE62194, with nominal value of 500,00 RSD, representing 72,894% of total capital of the Company Undergoing Privatization, which consists of:

- 60.607 shares owned by the Privatization Agency CFI-code ESVUFR; ISIN-No; RSPPLAE62194, with nominal value of 500.00 RSD, representing 72,79071% of total capital of the Company Undergoing Privatization, and
- 86 shares owned by the Shareholder's Fund a.d. Belgrade CFI-code ESVUFR; ISIN-No; RSPPLAE62194, with nominal value of 500.00 RSD, representing 0,10329% of total capital of the Company Undergoing Privatization.

3. Information about the Company Undergoing Privatization:

Address: Molski put 4, Ada, Republic of Serbia

ID number: 08208409

Tel: +381 (24) 853 122

Fax: +381 (11) 853-245

Core Activity: Steel casting, activity code 2452

More data about the Company Undergoing Privatization can be found at the following Internet address:

http://www.priv.rs/upload/company/document/teaser_4915.pdf

Detailed information on the Company Undergoing Privatization, prospect of the issuer of securities, Instructions to Bidders, accounting value of shares and adjusted book value of equity being offered for sale according to the latest financial report, draft Adhesion Share Purchase Agreement, as well as other information and documents in relation to Tender Sale (hereinafter: „Tender Documents“) will be available to all interested tender participants after the signing of the Confidentiality Agreement and payment of the Tender Documents Fee.

The Tender Documents Fee is EUR 8,000.00 (Euro eight thousand) in RSD equivalent at medium exchange rate of National Bank of Serbia at the invoicing date.

The Agency has appointed “Dil Inzenjering Konsalting” d.o.o., Belgrade, as the consultant in this privatization procedure (hereinafter: “the Consultant”).

4. A Bid may be submitted by:

A. An interested bidder who fulfils the following conditions at the day of the bid submission:

- a) It has purchased the Tender Documents,
- b) It has signed the Confidentiality Agreement
- B) It fulfils one of the following conditions:
 - it is a legal entity that performs any of the activities within the industry: metal casting and/or to perform any of the activities in the field of metal production and/or to operate in trade/ wholesale of metals and metal ores and/or trade/wholesale of hardware, installation material , equipment and supplies for heating, at least for the last three business years, or
 - it is a financial investor (legal entity whose core business activity is money investment) and includes „private equity“ companies, investment companies, mutual funds, insurance companies, pension funds and investment banks, with total business assets amounting not less than EUR 2,000,000.00 (two million EUR) in 2011.

If a potential bidder is a subsidiary that does not fulfil the requirements from this Clause in Public Invitation, its parent company has the right to submit a bid if it fulfils the stated requirements.

The Parent company that fulfils the above stated requirements also has the right to submit a bid if the subsidiary has purchased the Tender Documents.

If a potential bidder is a Parent company that does not fulfil the requirements from this Clause in Public Invitation, its subsidiary has the right to submit a bid if it fulfils the stated requirements.

The subsidiary that fulfils the above stated requirements also has the right to submit a bid if the parent company has purchased the Tender Documents..

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

- All consortium members have made a Decision on Forming and Entering into Consortium;
- All consortium members have entered into a written Consortium Agreement and such agreement has been duly notarized by the court, or other competent body (in case of foreign legal entities and private persons);
- Each consortium member has assumed unlimited joint and several liability related to this tender, under the Consortium Agreement;

- Consortium Agreement specifies each member's. percentage in acquisition of the capital of the Company Undergoing Privatization, and that at least one of the members has not less than 51% of the total share in the Consortium (hereinafter: „Consortium Leader“);
 - All consortium members have signed a notarized power of attorney for the representing member of the consortium;
 - All consortium members have signed a Confidentiality Agreement;
 - At least one of the consortium members has purchased the Tender Documents;
 - The Consortium Leader is legal entity that meets at least one of the following requirements:
 - it is legal entity that performs any of the activities within the industry: metal casting and/or to perform any of the activities in the field of metal production and/or to operate in trade/wholesale of metals and metal ores and/or trade/wholesale of hardware, installation material , equipment and supplies for heating, at least for the last three business years, or
 - it is a financial investor (legal entity whose core business activity is money investment) and includes „private equity“ companies, investment companies, mutual funds, insurance companies, pension funds and investment banks, with total business assets amounting not less than EUR 2,000,000.00 (two million EUR) in 2011.
5. The **minimum price** for the Subject of Sale is EUR 364,158.00 (three hundred sixty four thousands one hundred fifty eight EUR) i.e. EUR 6.00 (six euro) per share, in the RSD equivalent at the middle exchange rate of the National Bank of Serbia at the Bid Opening Date.

6. **Development and investment conditions**

- continuity in performance of existing operations at least for the next 5 years, in accordance with the Sale and Purchase Agreement,
- minimum investment in the amount of 350.000,00 EUR (three hundred and fifty thousand euro) within 2 years after the purchase, in accordance with the Sale and Purchase Agreement. The buyer is obliged to provide a Performance Bond, which will guarantee the fulfilment of the obligations under the investment program in accordance with the Sale and Purchase Agreement.

7. The Agency hereby invites all interested parties to submit a written request for the purchase of the Tender Documents for the Company Undergoing Privatization, as well as to provide evidence on payment of the Tender Documents Fee, no later than by **26.10.2012, 16:30 hours (Belgrade time)**.

Tender Documents will be available to interested parties from 01.10.2012.

Written requests for purchase of the Tender Documents shall be submitted to the Privatization Agency by mail, e-mail, or fax, clearly marked as **"Request for Purchasing the Tender Documents – Tender Code: POT 04/12"**.

Upon receipt of the request, an invoice for payment of the Tender Documents Fee, as well as the Confidentiality Agreement for signing, will be delivered to the applicant's authorized representative by mail, e-mail or facsimile. The signed Confidentiality Agreement should be immediately faxed or mailed back to the Agency to the addresses stated below.

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

8. The deadline for submitting final binding offers for purchasing of 72,894% of the registered capital of the Company Undergoing Privatization is **23.11.2012 until 4:30 p.m. (Belgrade time)**.

As a prerequisite for submitting a bid, a deposit must be paid or a Bid Bond must be submitted in the amount of EUR 50,000.00 (fifty thousand euro).

9. The Agency retains the right to change all or certain elements, i.e. conditions and deadlines in this Public Invitation.

Potential bidders will be informed on any amendments to Public Invitation by announcing such amendments on web site of the Privatization Agency and in a daily newspapers "Politika".

10. For any questions pertaining to this Public Invitation, interested parties may contact persons listed below, in Serbian or English language:

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of the Republic of Serbia**
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